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Loan and Trust Review and Outlook

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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OPTIMISM IS THE NOTE OF REPORTS FROM PRAIRIES

Spring is Late But There is no Shortage of Moisture

PROBLEMS OF LABOR

Many Unemployed But They Prefer Booze Depots and Picture Shows to Work on the Farm

Reports from the west of unusually wet conditions and large inundated areas are not to be regarded as indicating a serious crop situation. In fact the presence of so much moisture is taken to presage good growing conditions even though seeding may be somewhat delayed. The weather continues somewhat backward. The first crop bulletin of the Bank of Montreal issued on May 4th on the basis of telegraphic advices, reports that spring is about two weeks behind schedule throughout the Dominion but points out that the absence of early growth minimizes the danger of damage by frost. The weather has been favorable for ploughing and seeding and these operations are now general. Moisture is ample. While the acreage seeded to spring wheat in the Prairie Provinces may be somewhat smaller than last year, general conditions are encouraging. Fall grains in the West and fruit trees, both in British Columbia and Eastern Canada, have wintered well, although reports from the Okanagan indicate a somewhat smaller crop than last year.

Another letter to THE FINANCIAL POST from F. W. Crandall at Calgary states that business conditions in that city remain about the same with some increase in demand owing to seasonal needs of the farmers; nothing to warrant much improvement, however, prior to the crop—and conditions for this are fine. Mr. Crandall says that labor conditions are not at all good; "Plenty of men, but few want farm work; too far from booze depots and picture shows." This is a situation which is evidently playing into the hands of the Red agitators whose program would be aided by interference with the putting in of the crop.

The Lethbridge Herald points out that while a cold stormy April has interfered with seeding operations in Southern Alberta, moisture conditions are such as to induce sane optimism on the part of the farmers and business men generally. The Herald does not suggest that Southern Alberta is sure of a big crop but "there is reason for belief that given anything like normal conditions during the growing season, we may now expect an average crop, with the prospect that the average may be considerably exceeded." The Herald continues:

In making this statement we base our opinion on the fact that the moisture for the month of April is nearly three times as great as the average precipitation over a period of 20 years, and on facts gathered by the South Alberta Survey Board in respect to the 1922 crop acreages. The Survey Board, following its survey of the dry area, made a report in the following words:

"There is a promising crop of winter rye now in the ground; about 200,000 acres in all, one half of which was planted on good summerfallowed land in timely season.

"There are about 570,000 acres of land well prepared as summerfallow for the 1922 crop; and about 370,000 acres of later summerfallow, better described as fall-plowed.

"These estimated figures give a total of 1,140,000 acres in crop and ready for the crop of 1922."

The Survey Board also found that the average production in the area surveyed by the board, over a period of seven years, is 19,000,000 bushels.

With the present moisture conditions applied to the well-prepared summerfallow land ready for cropping, and with the rye crop making an excellent spring showing, it is not too much to say that the total crop acreage mentioned above may alone be expected to produce the total average crop of the surveyed area. That is highly encouraging to contemplate.

Optimism in Saskatchewan

According to the correspondent of THE FINANCIAL POST at Regina, Saskatchewan farmers are becoming optimistic as the season progresses, conditions brighten and the prospect of a fat crop grows more likely. The best news noised abroad in Saskatchewan for many a long day is that thousands of acres of wheat, left in the fields last fall because weather, labor and market conditions made it impossible to thresh at a profit, are now being salvaged. The districts principally concerned are Indian Head, Wolseley, Govan and other points in the East and Southeast.

(Continued on page 8)

1,211 Miles Used to Make 53 Mile Call

During the break-down of the Hydro services during one of the big sleet storms, when practically all Western Ontario was in darkness, the Hydro engineer at Dundas called Hamilton on the Bell long distance and asked to be connected with Niagara Falls. All lines to Niagara were down. A resourceful operator, realizing the seriousness of the situation, called Toronto, got a connection with Montreal, then through to New York and by line through Buffalo talked with Niagara Falls, Ont. When Dundas was connected with Niagara Falls 1211 miles of wire were used to carry the message 53 miles. Hydro was saved thousands of dollars.

Just a little incident to show how a big corporation can serve the public—and help public ownership to do so too.

Rolling Back The Wheat Map Of Far North

Seeding at Pouce Coupe and Lethbridge — 450 Miles Apart

EDMONTON.—A dispatch in Saturday morning's Bulletin announced that seeding had commenced in the Pouce Coupe district of the Peace River country. In the same issue it was announced that seeding in the Lethbridge district had been held up by rain. The outstanding fact impressed by the two is that seeding is in progress at the same time in the far north as in the far south of the agricultural settlements of Alberta; that is on April 30. Lethbridge is 50 miles north of the 49th parallel of latitude and Pouce Coupe is on latitude 56. That is to say Pouce Coupe is 450 miles further north than Lethbridge. In other words the proven wheat area of Alberta extends from the 49th (U. S. boundary) to the 56th parallel, an actual distance of 500 miles.

Pouce Coupe is, of course, very much further west than Lethbridge. It is due north of Kamloops, B. C. From Edmonton the rail distance to Coutts on the International boundary south of Lethbrige is 386 miles. From Edmonton to Pouce Coupe the rail distance from Edmonton is 407 miles. The map and the railway lines prove that the region of assured wheat production extends as far north-westerly in Alberta from Edmonton as it does southeasterly. The difference is that the region to the south eastward is already developed, while that to the north westward is in largest measure yet to be developed.

As to the respective merits of the north westerly and south easterly extremities of the Province. It is a fact that Pouce Coupe has had no failures since 1916 and that the Lethbridge district has had a succession of failures or partial failures during that period. Conditions differ between south and north. Dry weather is the cause of crop failures in the south. Exceptional summer frosts are the danger in the north.

LABOR COSTS DELAY BUILDING IN WEST

Reports From Regina Indicate A Smaller Total Than Last Year

From Our Own Correspondent

REGINA.—The building situation, which always arouses plenty of enthusiasm at this time of year, is not as active as many could wish. It seems almost a certainty at this date that building will show a great decrease over 1921 figures.

Builders all over the province have failed as yet to come to an agreement with the trades' unions on the 1922 wage scales. The employers, some two months ago asked the men to take a 10 to 15 per cent. cut and this the men flatly refused. As a result a good deal of non-union labor is being utilized, plasterers—working on piece work—being the only union men engaged. While architects deny that this failure of builders and union men to come to an agreement will seriously affect the situation, it appears certain that many enterprises in the building line may be delayed from this cause.

High building costs, the second reason for lessened activity, are chiefly caused by higher freight rates and increased cost of materials, which, though lower than 1921 are still shown by Board of Trade figures to be about 75 per cent. above pre-war level.

PORT ARTHUR TO PAY DEARLY FOR TUNE IT CALLED

That is Conviction With Announcement of Nipigon Rate

BECK ONLY HUMAN

Port Arthur News-Chronicle Says He Cannot See Further Through Stone Wall Than Others

The Ontario Hydro Electric Power Commission's action in setting the price of $25 per horse for power from the famous Nipigon development delivered in Port Arthur has met with a storm of protest in that city. This is not hard to understand when it is explained that there will be an added cost of $1.5 per h. p. for distribution to consumers making a total of $26.25 per h. p., whereas under the contract which the city had with the Kaministiquia Power Company the Utilities Commission were able to sell electric power at a cost of $14 per h. p. The difference of $11 per h. p. is naturally causing the people of Port Arthur to ask regarding the alleged advantages of public ownership as exemplified by the Hydro Electric Commission.

The Public Utilities Commission of Port Arthur meeting to deal with the situation formally placed itself on record by resolution as being strenuously opposed to the rate of $25 per h. p. in view of the excess cost compared with the price of $14 per h. p. for a similar quantity of power at the same pressure of supply under old contractural terms with the Kaministiquia Company.

In the opinion of the Fort William Times-Journal a $25 per h. p. rate would not be the solution of the Nipigon problem. In the opinion of that journal the trouble has only begun. It is pointed out that no one need imagine that even $25 per h. p. is anything like the price necessary to pay operating costs and overhead expenses on the Nipigon plant. As long as the agreement with the cities stands as it does, it declares, and no steps taken to arrive at a business-like adjustment o fthe capital cost, there can never be any guarantee that the Hydro Commission will not keep on adding to its price until it reaches even double the $25 now proposed to charge against Port Arthur. That this is most disappointing is not putting the case too strong, according to the Port Arthur News-Chronicle. The Chronicle believes that the rates charged for power to Port Arthur should not be in excess of those charged under contract held with the commission during the time power was secured from the Kaministiquia Company. While the price proposed may not be out of proportion to cost of power produced under the conditions that obtain at Nipigon, it is out of proportion to what the actual cost should have been and would have been had due economies been practised, in the opinion of many persons who had intimate knowledge of the conditions under which the development took place.

In concluding the News-Chronicle points out that it may not be out of place to once again recall the brilliant promises made to the city a number of years ago by Sir Adam Beck and a group of citizens who backed him in the installation of a company plant. Continuing the Chronicle declares: "It will do no good, of course, to cry over spilt milk and the matter is recalled simply to impress the fact that not even the wisest among leaders can see any further through a stone wall than less endowed beings. But there is a vast difference between the price of power at $14 per h.p. which was offered the city by a company, and $25 which is now demanded by the Hydro-Electric Commission. Port Arthur is certainly paying dearly for the tune it called."

He Likes The Truth Even If It Hurts

Referring to the reports of THE FINANCIAL POST on agricultural conditions in Western Canada, and particularly with regard to live stock, a reader of THE FINANCIAL POST who has seven children living in different parts of the West, declares that "the daily papers seem to avoid the truth for some unaccountable reason and your paper is the only one I meet having courage enough to be candid. From my children I hear the truth for some unaccountable same."

Up To Steamships Directors When The Shareholders Meet

Now that a new group of directors is taking control of Canada Steamship Lines, and has begun a process of "housecleaning" of that organization, the most effective means for them to regain the substantial measure of public confidence that had been shattered would be for them to clear up a number of points upon which suspicion has rested. If the new men are able to accomplish this result, they will have made an excellent start, and will have won the sympathy and support of the best elements in the financial and industrial world who became disgusted with the old state of affairs.

The annual meeting of the shareholders of the Company will be held on Tuesday next. There could be no more opportune time to wipe the slate clean, insofar as the incoming board is concerned, than to take the shareholders into their confidence on certain transactions of which further information is essential. Perhaps the enumeration of a few of these points will serve as a suggestion to the new president, Mr. Coverdale. In the main these bear directly on the annual financial statement and the new bond prospectus, both of which appeared this week, and hence are eminently pertinent to the present situation.

The annual report makes a special allowance for a sum of $3,873,595 that has been "written off ocean vessels." This is evidently considered as a "dead" loss to the Company, and hence deducted from the accrued surplus. Does this deduction bring the value of the ocean fleet down to a fair, up-to-date valuation? Has the question of discontinuing the ocean end of the Company's activities and limiting these to the old ones on which profit seems to be assured each year, been considered?

Loss on Davie Shipbuilding

There is an item of $1,250,000 deducted from "investments." This loss that is now being taken, we understand, refers to one made on the Davie Shipbuilding Company. Is there any likelihood of any further loss than that of over $1,000,000 being incurred on this same property? This particular investment is of especial concern to the shareholders as this Company was taken over by Canada Steamship Lines and some members of the Steamships Trust thus relieved of the larger part of a heavy obligation which was assumed by Canada Steamship Lines, according to the generally accepted view of this unfortunate episode. In view of the admitted loss of $1,250,000 the condemnation of the transaction in these columns seems to have some little foundation. Nor will this loss lessen the desire for restitution.

An Item of $8,424,000

Then there is an item in the balance sheet of the annual report, under assets, of "Leases, Contracts and Goodwill—$8,424,646." The item looks large in view, for instance, of the fact that Ogilvie Flour Mills take in their "goodwill" at $1. The latter is admittedly an extremely conservative method of handling such an account, but there is a feeling that the amount credited to Canada Steamship Lines of over $8,000,000 is too large. If this item were reduced it is apparent that a corresponding reduction would be called for in the item of a surplus of $3,610,719.

Then in the prospectus of the new bond issue the item is changed to read thus: "Leases, contracts, bonds, discount and goodwill—$9,261,930." It will thus be seen that the item in the annual report to which "bond discount" has been added, has been increased by $837,284.

Retiring Old Bonds at Cost

A statement in reference to the retiring of the bonds that were issued last fall would also be in order at this time. This was the ten-year maturity issue as distinct from the twenty-year issue that is now being offered to the public. Some confusion seems to exist, as both were of a total of $10,000,000. The annual report of the Company issued this week, as at December 31, 1921, shows the old issue outstanding to the extent of $2,542,500. The bond prospectus, also of this week but bearing a later date, shows that the whole of this issue was called in when the new issue now being offered was made. For various reasons it was necessary to call in the old bond issue when the new one was being made, and this is being done. Of the total amount outstanding of the old issue between $200,000 and $300,000 was sold to the public, the balance, running something around $2,300,000, was taken by the directors, part of it in lieu of a claim of $1,350,000 owed to them as the balance of the price of purchase from them and associates of the Montreal Transportation Company by Canada Steamship Lines. We understand that the directors are surrendering these bonds at cost, an action that will meet with general approval and it might be well if this fact were given publicity at the time of the annual meeting.

Retention of the President

It will be recognized, in fairness to the incoming board, that a great deal remains to be accomplished, and that much of this will require careful planning and much time before the end desired can be reached. Possibly it is too soon yet for the new men to have formulated a definite policy on various matters in connection with which the old management has been under fire for many years. Along this line, however, the investing public trusts that a statement can be made in the near future making it clear, for instance that the Standard Shipping Company—of which the retiring presi-

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American Holdings Of Our Bonds Nearing $750,000,000

Total U.S.A. Investments in Canadian Securities, Including Internals, Will Pass Billion Mark by End of 1922

From Our Own Correspondent

NEW YORK.—If Canada continues to borrow in the United States at the rate that has been in evidence during the past four months, Canadian external bonds payable in the United States will total almost three quarters of a billion dollars before the close of the present year. If to the total indicating American holdings of Canadian Government, municipal and industrial bonds, could be added the total representing American holdings of Canadian internal securities listed on the Montreal and Toronto exchanges the final total, it is believed here, would be well over a billion dollars, at the close of 1922.

According to an estimate made by THE FINANCIAL POST, there were at the close of April, 1922, Canadian Government, municipal, and industrial bonds outstanding in the United States amounting to approximately $670,747,244. Of this total $142,656,000 represented loans floated since the first of the year. Of this amount $100,000,000 was contributed by the Dominion of Canada loan floated in April.

Assuming that Canadian borrowing in this market continues at its present rate, and eliminating the possibility of further Dominion Government borrowing, Canada will borrow some $125,000,000 in round figures in this city during the balance of the year. This would bring the total bonds outstanding at the close of the year to $795,747,000.

While in the absence of any reliable statistics upon which even estimates could be based, it is impossible to tell approximately what the total of Canadian internal securities held in the United States amount to, in view of the increasing interest Americans are showing in Canadian securities generally, it is perhaps safe to say that this total could be safely placed at at least $250,000,000. We have the authority of the Dominion Bureau of Statistics for the statement that fifty per cent. of Canadian industrial securities are in American hands and that almost twenty-five per cent. of the capital of the Canadian pulp and paper industry had been contributed by the United States. On the basis of these two estimates $250,000,000 is not an excessive valuation to place on the American holdings of Canadian stocks and bonds payable in Canada.

Domestic Loan to be Floated in Fall

From Our Own Correspondent

MONTREAL.—The general belief in bond circles here is that the Minister of Finance has decided definitely to hold over the placing of a domestic loan until the fall.

RAILWAY CRISIS BY INTERFERENCE OF GOVERNMENT

Is Not Result of Failure of Corporate Ownership

HISTORY OF ROADS

Empire Builders and Politicians Responsible for Grand Trunk Pacific and Unprofitable Branch Lines

Special Correspondence

OTTAWA.—Thus far in the railway discussion in Parliament the assertion has been frequently made that the problem we have on our hands has been the result of the failure of corporate ownership. It is somewhat curious that this view should have been allowed to go uncontradicted; for it happens to be directly contrary to the facts. The only basis of truth in it is that the Canadian Northern and Grand Trunk Pacific were owned by corporations; but that ownership was purely nominal. In all essential respects these roads were publicly owned, as can be easily proven.

In 1916 Government appointed a Royal Commission to inquire into and report upon the transportation situation at that time. It has since come be popularly known as the Drayton-Acworth Commission, because the third member of the board, A. H. Smith, of the New York Central, did not concur in the majority report. The report was presented in 1917, and at page XLI, this statement is made in relation to the Canadian Northern: "From the company's official reports and special statements supplied to us, we have ascertained that the maximum cash investment that can have been made in the property is $383,302,451. As we have already shown, the public investment both direct and indirect, in the Canadian Northern system amounts to $298,000,000." That would leave but $85,302,451 as the contribution by the company through all forms of financing apart from Government, and it will be observed that the Commission does not unqualifiedly admit an investment of that magnitude.

The same thing is true of the Grand Trunk Pacific. While it was primarily a project of the Grand Trunk, intended to place that pioneer road on a competitive footing in the wheat producing provinces of the West, it was more particularly a state enterprise. Government set aside the original proposition of the late Charles M. Hays and tacked on the Eastern section, now known as the National Transcontinental, which completely changed the character of the line so far as the Grand Trunk was concerned. From start to finish it was financed on guarantees, which turned out in the end to be precisely the same thing as if the Government had supplied the money in the first instance.

It cannot be too strongly emphasized, in the light of all that happened since 1914, that our railway problem is not in any sense a failure. To assert to the contrary is to utterly and blindly ignore the facts of the case. Had the Canadian Northern for example, been compelled to battle its way as a corporation, it might have made a start—although even that is doubtful—but it could never have come to be the second largest system in the Dominion. Left to float its securities on its merits as a railway it could not possibly have made any headway. It was too unsound from every point of view. But, as has been said, it is futile to discuss that aspect. The historical fact is sufficient that it didn't have to even try. The state came to its aid and supplied the necessary capital—or did the exact equivalent, namely, endorsed its bonds. The money of investors was not given on Canadian Northern security, but on the security of the Dominion of Canada—as we have all learned to our bitter cost. No parallel to the corporate existence of the Canadian Northern and Grand Trunk Pacific were found in the railway records of the world.

Therefore, let it be repeated for the sake of emphasis, it is a flagrant abuse of terms to say that our present railway problem grew out of the failure of corporate interests. When the facts are taken strictly and logically into account, the Canadian Northern and the Grand Trunk Pacific were as much Government roads as if they had been so-called from the start. More than that, they were both essentially political roads. To claim other-

(Continued on Page 16)

International Trading

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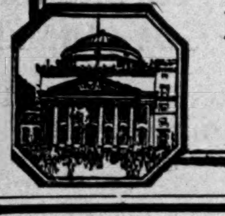

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UNION BANK OF CANADA

DIVIDEND No. 141

Notice is hereby given that a dividend at the rate of 10% per annum upon the paid-up capital stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Thursday, the first day of June, 1922, to shareholders of record at the close of business on the 16th day of May next.

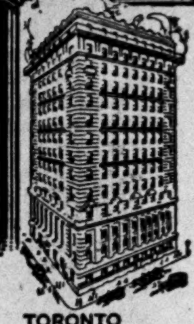
The transfer books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, April 21, 1922.

ESTABLISHED 1872



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SOME COMPANIES PROVIDE ALL THE SALESMEN'S CARS

Claim Closer Working Connection Between Sales-Force and Company

NEW CARS EACH YEAR

Majority of Companies Agree That New Cars Should be Purchased Each Year—More Economical

Large companies who own their salesmen's cars contend that they are able to maintain a better working connection with their salesmen than the companies who do not. The salesman who is dependent upon his company, for his means of transportation, they say, is more to be relied on, especially in difficult times, than the man who owns a car and is largely independent of the company. While there has been a large increase in the number of companies requiring their salesmen to buy cars, from the standpoint of lessened upkeep, other companies have gone back to the old way of owning the cars.

It has been found in a recent census of leading firms in the United States that the majority own their salesmen's cars. In many cases these companies found that the man who does not own his car, gets more business than the man who does. When a salesman has to pay for all the wear and tear in a car he is very inclined to overlook the places lying off the good roads or venturing out in rough and stormy weather. He does not see why he should pound his car to pieces going to the little places in the hope of getting an order, so they are overlooked, with the resultant loss to his company. Then again it has been found that many salesmen spend far too much time tinkering over their cars in the evenings when they should be working on their daily reports.

When a salesman does not own his car and is paid on a salary and commission basis, it is up to him to get every dollar's worth of business that is to be had. On the other hand there is talk of the much abused company's cars, that the salesman simply takes no care of the cars in their charge at all, with the result that they are pracically unfit for service at the end of the first year. But to offset this is the fact that many companies who own their cars report that the salesmen as a rule take very good care of their machines, and if a man is continually having repairs made for no other reason than careless driving, he is warned and then dismissed if he offends again.

New Cars Each Year

All companies report that it is much better business to turn in their cars every year. After the first year the upkeep due to worn out parts and replacements is very great, therefore they get rid of them when they are in good running condition and in that way secure a better price. Closed cars are being used more and more by all companies, both from the point of comfort it gives their men and it enables the salesman to dress better.

One large Canadian company had intended to have its salesmen buy their own cars but on a census of opinion, they found that it would impose too great a financial obligation on their men, most of whom were married. This company, in common with many others, buy their cars in one consignment and thus obtain them considerably cheaper. Repairs and all work done on the cars is by their own men so far as possible.

One interesting fact learned from a number of companies was that their winter schedule of calls was only about 20 per cent. behind that of the summer, when the salesmen used their cars. But this slowing up is more than taken care of, by the fact, that in summer the salesmen's territories are considerably increased on account of outlying summer resorts, which are practically deserted in the winter time.

IRON AND STEEL OUTPUT

Improved Demand Noted in March Figures

The output of pig iron in Canada during March showed a decided increase over production during the preceding month and established a record for the present year, with a total of 41,733 tons, comprising 25,974 tons of basic pig iron, 10,123 tons of foundry iron and 5,636 tons of malleable iron. Compared with the previous month the production of basic iron was slightly higher and the output of foundry iron almost 2000 tons greater. Malleable iron to the extent of 5,636 tons, made during March, was the first produced this year.

The revival of the iron and steel industry indicated in reports from the producing centres in February, gained a little strength during March, and while the number of furnaces actually in blast in Canada at the close of the month was less than at the end of February, the output was appreciably higher.

BIG RADIO PRODUCTION

Westinghouse Electric & Manufacturing Co., leader in production of radio receiving sets, is now turning out 500 complete receiving sets a day. Production is being increased as fast as additional facilities can be provided. The company expects to have production up to 1,000 sets a day in next two or three months. After that the management will be in a position to determine to what extent expansion should be carried out.

SIR ADAM GETTING $250 A DAY ON SIDE

Activities on Inquiries do Not Interfere With Income as Hydro Chairman

In the Ontario Legislature the following questions were asked by Mr. Lethbridge regarding the activities, salaries, etc., of Sir Adam Beck:

1. What salary is being paid to Sir Adam Beck as Chairman of the Hydro Commission?
2. By whom is such salary paid, and upon what authority?
3. Is the Government aware that Sir Adam Beck is at present employed as an arbitrator in the settlement of the amount to be paid by the City of Toronto to the Toronto Railway Company?
4. Did Sir Adam Beck obtain leave of absence from the Government for the purpose of this arbitration?
5. Is the Government aware that Sir Adam Beck is being paid at the rate of $250 per day for his services as arbitrator?
6. Who is acting as Chairman of the Hydro-Electric Power Comission whilst Sir Adam Beck is employed on the Toronto Railway Arbitration?

Mr. Carmichael, Minister without Portfolio, replied as follows:—

1. $12,000 per annum as Chairman of the Hydro-Electric Power Commission of Ontario, and $6,000 per annum as President of the Ontario Power Company.
2. $6,000 is paid from Consolidated Revenue Fund and the balance, by the Municipalities under contract with the Commission, pursuant to the terms of the Power Commission Act.
3. Yes.
4. No leave of absence required.
5. No.
6. Sir Adam Beck.

SHOE COMPANIES TO REVISE WAGE SCALE

Local Boot and Shoe Workers Receive Higher Wages Than Elsewhere

Wages paid to Toronto boot and shoe workers are due for a cut, according to prominent men connected with the industry. At the present time the local workers are said to be receiving higher wages than elsewhere on this continent. It is pointed out that in the New England States, where a very large number of boot and shoe factories operate there have been wage reductions of over 10 per cent. and others are pending. These wage cuts were accepted by the union workers, whose headquarters are in Boston. In Montreal and Eastern Canada there have been wage cuts of over 12½ per cent. and in British Columbia 10 per cent. So that with the exception of one or two firms who have made small reductions in salaries, the workers in Ontario are receiving higher pay than elsewhere.

Manufacturers' prices of boots and shoes are based upon the actual cost of production, from materials valued at present cost. From the peak prices of 1919, the reduction in the cost of moderate priced boots has been 42½ per cent. to date. The cost of the leather for uppers is still in cases, from 100 to 200 per cent. higher than before the war. Since the armistice there have been 42 firms out of 170, in Canada, forced to meet their creditors, go into liquidation or compromise in financial arrangements, due to the extreme keenness of the business rivalry.

LONDON IS STILL IN CONTROL OF FURS

Hudson's Bay Company Expert Declares Markets Have Not Changed

From Our Own Correspondent.

VICTORIA.—Refuting the claim that the United States have wrested control of the fur trade from Great Britain, C. H. French, manager of the fur trade department of the Hudson's Bay Company in this province, regarded as the best informed man in Canada on the subject of Arctic and Siberian furs, declares that London still dominates the industry.

The present market for furs is very unstable and will not become settled until the annual fur sale at London, according to Mr. French. The sale will be held on June 1. During the past six or eight weeks prices have tumbled ten to fifteen per cent.

"The catch will be about the same as last year, although that does not figure as an important factor when prices are under consideration," said Mr. French. "The demand is not so great as in former years, and the demand is what really counts. The price-fixing event of the year is the London sale."

"YELLOW" LABOR NOW FEARED ON PACIFIC COAST

British Columbia Wants Oriental Situation Investigated

DOMINATING FISHERIES

Fraser Port Once World Famous for Salmon Pack is Now Virtually a Jap Colony

From Our Own Correspondent.

VICTORIA.—Competition of Japanese in industry is growing rather than diminishing in British Columbia and leaders in the fisheries business out here are hoping that the standing committee of the House of Commons on marine and fisheries, when it investigates fisheries conditions in this province, will make a thorough inquiry into the Oriental situation as it effects this industry.

When W. G. McQuarrie, Ottawa member for New Westminster, declared that Japanese were obtaining a monopoly of the business, he merely repeated an utterance which has often been made by cannery operators, packers and white fishermen who have come into direct contact with the Asiatics.

Steveston, on the Fraser River, once famous the world over for its salmon pack and now showing signs of early depletion of this leading variety of food fish, is now virtually a Japanese colony. Most of the white population has abandoned the little seaport.

Along the west coast of Vancouver Island probably four hundred fishing craft are now being operated by Japanese, who are also entering the cannery business.

In the fruit and farm produce field there is the same competition. The Western Canada Fruit Jobbers Association, the principal sales organization for British Columbia produce on the prairies, has undertaken not to purchase anything from Japanese that could be supplied by white farmers.

THREE RIVERS TO N.Y. PAPER GOES BY WATER

From Our Own Correspondent.

MONTREAL.—It is interesting to note that shipments from the newsprint mill of the International Paper Company at Three Rivers, Quebec, have been made by water down the St. Lawrence and the Atlantic coast to New York. This was done on account of the high freight rates and also to demonstrate the possibilities of this means of shipment. The mill itself turning out between 45 and 50 tons a day with a present capacity of about 70 to 75 tons. There has been difficulty found in years past in shipping by water, and a number of attempts have been made from inland places. Indeed proposals have come to ship paper to Chicago by water and to Detroit, Buffalo and other big newspaper centres, but the danger of damage to the paper has caused these to be abandoned. The experiment of the International Paper Co. will be carefully watched on this account.

RUSSIAN COMMERCE

Comparative Figures As Between 1913 and 1921

Recent developments in Europe lend interest to studies of the Trade Record of the National City Bank of New York regarding the commerce of Russia prior to the war and at the present time. Russian foreign commerce, says the Trade Record, had grown rapidly in the quarter century preceding the war, and aggregated nearly $1,500,000,000 in 1913, of which about $700,000,000 was imports and approximately $800,000,000 exports. The rapid growth of that trade is evidenced by the fact that the total imports had advanced from $323,000,000 in 1900 to $687,000,000 in 1913. While the opening years of the war gradually reduced the exports, the total of imports showed little reduction down to 1915, due to the large quantities of war material bought from the United States, Great Britain and France.

Following the changes in form of government in 1917, the statistics of imports and exports were not available, and the first complete year's picture we now get of Russian foreign trade is a statement by the Soviet Government of the imports and exports in the year ending November 1, 1921, forwarded to the United States Department of Commerce by its Commissioner at Riga. It shows the total exports, valued in gold roubles at 1913 prices, at 16,735,000 roubles, as against 1,520,000,000 roubles in 1913, while the valuation of "Soviet purchases abroad and actual imports" during 1921 is 157,000,000 roubles of purchases and 134,000,000 of actual imports, as against 1,375,000,000 roubles of imports in 1913.

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FINDING MEXICO DISAPPOINTING AS "PROMISED LAND"

Mennonites Changing Their Minds as to Advantages of Canada

SADDER AND WISER

Stories Coming From South Tell of Hot, Dry Weather—Deputation Sent to Examine Conditions

From Our Own Correspondent.

REGINA.—Reports trickling back from the Mennonite settlements in Mexico, whither some 500 Saskatchewan Mennonites, and a like number from Manitoba, recently went in search of peace and plenty, are causing consternation among those of the sect still resident here.

It appears that the rain has not fallen upon the Mennonite lands, that the sown grain has not sprouted and that nomadic "Greasers" have been getting fresh with Mennonite possessions. Now, it appears, many of the erstwhile recipients of Canada's bounty have changed their minds about Mexico being the Utopia of their dreams; they are conscientious objectors to fighting—their religion forbids it, and they long once more to see the bald and productive—though cold at times—prairies.

When the Mennonites came to Canada, the majority of them were without earthly and material possessions. To be frank, they were in much the same position as the Doukhobors—their chief asset was a pleasant smile. Securing cheap land they proved industrious and peaceable farmers and amassed plenty of wealth. Unlike their Canadian hosts, they knew how to hang on to money and their women folk were not imbued with the same expensive habits which—unfortunately for man—characterize other, more civilized races.

When the Mennonites departed for Mexico, many had big sums in cash and an earful of Mexican promises. Today, so it is noised abroad here, they are minus the first and their faith in Mexican veracity has been considerably shaken.

Are Disillusioned

One hears conflicting stories from the Mennonites still situated here as to the condition of affairs. One rumor is that a split has occurred between the young and old clan. Many letters tell of the dry hot days and the dry cold nights and the grain in the ground that refuses to sprout. Other missives hint at the loss of material possessions and a longing to return to Canada. Opposed to these reports, the old-colony Mennonites are firm in stating that all is well with the Mexican colonist venture and deny that there will be a return of the pilgrims.

In any event, if the Mennonites stay where they are, perhaps it is just as well. The objection to the Mennonites, and similar cults and sects, is that they do not readily assimilate with Canadian people, and the immigrant who cannot be assimilated, is not of any particular use. He is a space filler and helps to pay the taxes but his conception of Canadian ideals is to say the least sketchy, and to him, the customs and laws of the country are extraneous things.

The attitude of Mennonites towards their women is scarcely in accord with the new, higher status which the fair sex have taken in the national life of Canada. The sect regards the female members highly—as a means of reproducing the species. The birth rate is high, it illustrates the truth of the menace which people in the United States have already noted and prevented by rigid immigration restrictions; that no immigrant nationality should propagate faster than it can be readily assimilated into the life of their adopted country, its citizenship and its ideals.

Whatever truth there may be in the reports from Mexico, at any rate trekking has stopped definitely and in the meantime, those preparing for departure have sent a deputation to the land of hot tamales and frijoles to see what's the matter.

IMPORT U.S. ORE WHILE CANADIAN MINES ARE IDLE

Algoma Steel Corporation Finds it Cheaper to Buy in States

NOT A POUND MINED

Millions Have Been Spent on Development — Industry Would Help to Develop Market

By GEORGE S. COWIE, Mines Dept., Algoma Steel Corporation.

Canada in the past decade has to a great extent improved its situation as regards its iron and steel products, but the supply of the base raw material (iron ore) entering into the production of iron and steel products has to-day fallen to the point where not a pound of iron ore is being mined at any point in Canada. From 1912 to 1921 Canada imported iron ore as follows:

1912	2,019,165	short tons
1913	2,110,828	short tons
1914	1,324,326	short tons
1915	1,463,488	short tons
1916	1,964,598	short tons
1917	2,084,231	short tons
1918	2,145,592	short tons
1919	2,227,919	short tons
1920	1,632,011	short tons
1921	1,950,291	short tons

This is a yearly average of nearly 2,000,000 tons and assuming that this ore is worth $5.00 per ton we get a gross value of $10,000,000, to which we have to add the exchange which in the past few years has amounted to no small sum. These importations naturally have helped to turn the trade balances against us and trade balances affect every one in the country whether he will it or not.

Why it Was Imported

Why was this large tonnage of iron ore imported, which necessitated such a drain on the country's finances? One reason is that the then merchantable mines were on the decline, finally vanishing, and low grade ores were not being treated in large enough tonnages at a marketable price to take their place. The known deposits of low grade ores only run from 32 to 38 per cent. in iron and are high in sulphur and siliceous as compared with foreign ores running over 50 per cent. of iron and free from sulphur.

Developments Worth While

The question is asked: Is it worth while developing these low grade ores? We say iron ore is the basic requirement of Canada and that not only our present demands should be produced from our own natural resources, but the industry should be well fostered and built up to many times its past proportions. No doubt there are those who are extremely cautious and think it not wise to compete with foreign industry founded on more natural conditions than ours. These same cautious persons objected when a bounty was given on pig iron made by Canadian furnaces. Did the industry collapse when the bounty was stopped? It certainly did not, but went ahead and grew to be one of our greatest industries. It is true it was pap feed for a period like any other infant, but now it is self-supporting. We claim the same results for the iron ore industry if it gets the proper assistance.

When the U. S. entered the war and they required their steel to make their own munitions of war, it was generally believed that the Canadian furnaces and smelters would be unable to take care of our own requirements. However the tonnage was produced in an ever increasing volume and one of the very companies built up by reason of the bounty given on pig iron supplied 55 per cent. of all the shell steel made into munitions by Canadian industry. Was the bounty on pig iron worth while? We think the answer is the record itself and justified the amount of bounty paid.

High Cost of Beneficiation

Now that the known merchantable iron ore bodies are exhausted, the next step naturally would be to undertake the problem of supplying the furnaces Canadian ore from our known low grade deposits, thus opening up our natural resources. It has been proven after very costly experiments that our low grade ores can be successfully treated and made an ideal ore for blast furnace users, but the cost of treating, or beneficiation, is so great that foreign ores can be laid down cheaper, and for that reason the Magpie mine in the Michipicoten district and the Moose Mountain mine in the Sudbury district are both shut down with no prospects of re-opening.

What Magpie Closing Meant

Now what does it mean to have a mine of the size of the Magpie shut down? We find that during the years 1916 to 1920 almost $2,000,000 was spent for supplies. About $500,000 of this was spent in the Soo and the balance in old Ontario, Quebec and the United States. In addition, $633,000 was paid for freight on the movement of the ore produced, $217,000 for freight charges on coal. Other items were sundry freight $140,000, duty $60,000, power $19,000, while wages amounted to $1,650,000, or a

(Continued on page 31)

WAYAGAMACK ISSUE SOLD

Successful Flotation of Bonds Of Pulp and Paper Mill

MONTREAL.—Announcement is made that the syndicate headed by the firm of Rene T. Leclerc who recently purchased the issue of $1,374,500 of 6 per cent. bonds of the Wayagamack Pulp & Paper Co., have disposed of the entire offering and that subscription lists have been closed. The successful result of this offering is attributed to the confidence that is held by investors in the pulp and paper industry of this country in spite of the set-back that occurred last year. The products of the Wayagamack Co. are sulphate pulp and wrapping paper. The new issue will be listed on the Montreal Stock Exchange where there is an existing balance of a former issue of $3,500,000 of similar bonds already listed.

ALBERTA PLANNING TO USE NATIVE COAL

Important Investigations Are Being Carried Forward to This End

From Our Own Correspondent.

EDMONTON.—Important work is under way by the industrial research branch of the University of Alberta in connection with the greater utilization of the native coals. Tests in fuel burning, carbonization, purification, and other features of the work have been carried on during the past year under the auspices of the Alberta Scientific and Industrial Research Council, to which a report has just been made. The net result is that things seem to be well on the way toward making a better and more profitable use of the province's coal deposits. One of the most promising discoveries thus far is the fact that Alberta coal gives every indication of being suitable for smithy work.

A full series of tests has also been made in the economical consumption of the native coal for heating purposes. Owing to the fact that there are a great number of different grades and qualities of coal in the widely separated mining fields of the province, the necessity of looking carefully into their respective values for ordinary commercial and domestic use has arisen, and the research council has been giving the matter close attention. The work is still in progress.

Additional emphasis upon the desirability of some means of standardizing these Alberta coals was given at the recent meeting of the Western Canada Fuel Association. It was stated at that meeting that the prairie trade was now strongly in favor of taking its supplies from the Alberta mines but that confusion was being caused by the great variety of grades and the differing instructions for use that were issued with them. The Alberta Government will therefore be asked to enact such regulations as will ensure a uniform standard of size and preparation of all coals shipped from the mines of this province.

EXPORTS AND IMPORTS NEARLY BALANCE

For Year Ending March 1922 There Was Slight Unfavorable Trade Balance

For the year ended March, 1922, the total imports into Canada were valued at $747,804,332, as against $1,240,158,882 for the corresponding period last year according to tables issued by the Dominion Bureau of Statistics. Exports have shown a parallel decline from $1,210,428,119 to $753,927,009 for the period under review, so that for the past year imports and exports practically balanced, with only a slight adverse trade balance. For the above period the imports for home consumption from the United Kingdom and the United States were $117,134,576 and $516,105,107 respectively. While the exports from Canada to Great Britain and the United States were valued at $299,361,675 and $293,906,643 respectively.

Among the principal articles imported into Canada, iron and steel formed the largest item, being valued at $82,590,907 as against $208,288,669, for the year ended March, 1921. Following in importance was cotton valued at $52,477,828; coal, anthracite and bituminous, are placed at $39,000,610 and $39,258,116 respectively; sugar and molasses at $44,440,911 and wool imports were valued at $35,227,691, as compared with $67,017,640 for the period ended March, 1921.

The following table gives the principal items exported last year and the corresponding increase or decrease that has occurred during the past year:

Article	12 months ended March 1922.	Increase or Decrease
Wheat	$179,990,730	—$31,061,308
Wood	70,790,996	— 44,893,479
Coal	13,182,440	— 3,319,038
Cheese	25,440,322	— 11,706,400
Meats	23,012,480	— 8,479,927
Furs	14,978,199	+ 2,747,755
Fish	29,339,877	— 3,790,126
Oats	18,717,105	+ 4,565,062
Paper	64,635,627	— 14,287,510

To the Holders of the THIRTY-YEAR SIX PER CENT FIRST MORTGAGE GOLD COUPON BONDS of AMES HOLDEN McCREADY LIMITED

Due 1st APRIL, 1941

THE financial statement for the year 1921 submitted at the Annual General Meeting of Shareholders of Ames Holden McCready Limited, held on the 26th day of April, 1922, shows a debit profit and loss balance for the year of $1,201,338. It would appear that this loss has resulted from general depression in trade, liquidation of inventories, etc.

The Company has defaulted in the payment of the interest on the above mentioned issue of its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

The Company is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent company. These companies have outstanding issues of First Mortgage Bonds and are largely indebted to trade creditors. The bonds of the subsidiary companies are guaranteed as to principal and interest by the parent company. It would seem apparent that a general plan of reorganization must involve both the parent company and its subsidiaries. Protective Committees have been formed to represent the different classes of bondholders of each of the three companies interested. The ordinary creditors of each company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden McCready Limited, a Bondholders Protective Committee has been organized with the following members:—

EDWIN HANSON
Hanson Bros., Investment Bankers
Montreal

JAMES HUTCHISON, C.A.
Messrs. Riddell, Stead, Graham & Hutchison
Accountants, Montreal

JOHN M. MACKIE
Financial Agent,
Montreal

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the April 1st, 1922 and all subsequent coupons attached to The Royal Trust Company, at its offices in Montreal, Toronto, Quebec or Winnipeg, or to the Bank of Montreal, 47 Threadneedle Street, London, E.C., as agents for the Royal Trust Company, Depositary under the Agreement. Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement, under the terms and conditions of which the First Mortgage Gold Coupon Bonds of Ames Holden McCready Limited will be deposited, have been lodged with the Depositary and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27, 1922.

On behalf of the Committee.
STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

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In justice to the important part played by the small depositor, the Province of Ontario Savings Office holds out the hand of welcome to them in particular. These offices belong to the people, they are operated for the people, and the money deposited is profitably employed on behalf of the people, while entrusted to the Government's care. Depositors are guaranteed.

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If you would like to know full particulars about the advantages, the methods, the purposes and the principles of the Province of Ontario Savings Offices, write to our head office or have a talk with the manager of the branch office nearest you. Our booklet "4% and Government Safety" on request.

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RECORD INCREASE IN FIRMS MAKING RADIO EQUIPMENT

Growth in Two Years is One of 60,000 Per Cent.; According to Radio Corporation

UNLIMITED FUTURE

Policy of Broadcasting Adopted By Newspapers is Held Responsible For Amazing Growth

One of the most amazing developments that has ever taken place in any industry has been experienced in the manufacture of radio equipment. From a few manufacturing plants of a year ago, to the thousands now; an increase of 60,000 per cent. in the demand in two years; a business in which both the small dealer and the manufacturer are taking profits; all this is the romance of this new industry.

The demand which called it into existence is as at present as tremendous as it has been sudden. The new, small concerns manufacturing radio supplies are estimated by the Radio Corporation of America as numbering thousands. The figures of the same corporation show that whereas two years ago, 4,000 vacuum tubes a year were in demand, this year probably 200,000 tubes a month will be inadequate to meet the demand that exists throughout the United States and Canada.

On the one hand large electrical companies who have been hard hit during the abnormal period of price deflation, through which we have just passed, see in the supply of radio apparatus a new field. To-day large corporations are turning a part of their energies to meet this demand for radio equipment. Their success indicates the possibilities of this new industry. Its alleged hazards have been pointed out in the prediction of an official of one of the older and larger supply houses, that if all the concerns now making radio equipment should remain in the enterprise before long parts would become a drug on the market and that by October 1st, the makers of complete sets would be actively soliciting business.

That such a situation would be the reversal of present conditions in indicated in the report of another large supply house that it is two months behind in filling its orders and word comes from all parts of the ocuntry of a great shortage in this apparatus. The huge demand is ascribed to the practice of free broadcasting. One dealer stated that it is impossible to gauge with any certainty the extent of the future demand, inasmuch as buyers in their eagerness to get equipment as soon as possible are placing their orders with a large numbers of dealers and buy from the first one who gets the equipment in. For that reason it is stated, what might seem to be a demand involving $30,000,000 might resolve itself into a demand of only $2,000,000.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the month of April, as based on weekly returns, totalled $141,531 as compared with $148,989 for the same month in 1921, a decrease of $7,457 or 5 per cent. For the four months ending with April the earnings amounted to $567,060, a decrease of $36,804, or 6.1 per cent.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
Royal Bank	June 1	3	May 15
Crow's Nest Coal	June 1	1½	May 13
Bk of Hamilton..	June 1	3	May 22
Ogilvie, pfd.	June 1	1¾	May 22
Home Bank	June 1	1¾	May 17
Am Salesbook pfd	June 1	1¾	May 20
Bk. of Toronto..	June 1	3	May 10
Hollinger..	May 20	1	May 5
Union Bank	June 1	2½	May 16

MINING STOCK QUOTATIONS
Week Ending May 9

	High	Low	Close	Sales
Adanac . . .	1¾			2,000
Apex	3¾	3¼	3¾	15,500
Beaver. . . .	35¾	34½	35¼	33,500
Chamber-Fer. .	5¼	4½	5¼	2,000
Coniagas. . .	1.28	1.27	1.27	200
Cons. Smelt. . .	23½	22¾	23¼	645
Cr. Reserve . .	18	16	16½	3,000
Dome Lake . .	11½	11	11½	11,000
Dome Mines ..	28.25	27.50	28.00	1,870
Gifford . . .	¾	½	½	15,000
Gold Reef . . .	3¾	3	3¼	72,000
Hillcrest, com..	86			10
Hollinger. . .	9.80	9.66	9.66	1,625
Hunton	9¼	8	8	41,500
Keora	12			2,000
Kerr Lake . ..	3.50			100
Kirk. Lake. . .	45	44	45	9,500
La Rose	30	26½	27	41,275
Lake Shore . .	2.40	2.35	2.37	34,000
McK. Darragh.	34	30	30	22,600
McIntyre . . .	19.50	18.50	18.75	4,683
Mining Corp. .	1.05			85
Moneta . . .	14½	13	13½	19,000
Newray . . .	25	22	24	76,000
Nipissing . . .	6.40	6.25	6.30	250
Ophir	2⅞	2½	2¾	2,500
Peterson Lake.	5⅞	5	5½	7,500
Porc. Crown .	30	28	28½	63,000
Porc. V. N. T. .	40	36¾	37	220,500
Pres. E. Dome	9¾	9	9	66,500
Schumacher . .	59	57	57	23,500
Teck Hughes .	62½	56	58	161,000
Timiskaming .	34	33	33	3,000
Thompson K. .	5¾	5½	5½	17,000
Trethewey . .	5	4	5	5,250
West Dome ..	14	11	12	72,000
Wasapika. . .	9	7	9	144,000
West Tree . .	10½	7½	9¾	105,000
Hattie. . . .	18¾	18½	18¾	2,000
South Keora .	45	42	43	13,000
Wakenda . . .	5	4	5	24,500
Wright Harg. .	2.95	2.90	2.95	700
Castle Treth. .	27½	26½	26½	17,500

Radio-Phonograph Company Finances

A public offering of $400,000 capital stock of the Jewett Radio-Phonograph Company Limited, of Windsor was made this week by a syndicate composed of Messrs, Thorburn, Sweetman and Co., the Prudential Bond Co., Ltd., and the Federal Finance Corporation Ltd.

This company will have its head office at Windsor, Ontario, with a factory in Walkerville. It has acquired numerous patent claims in connection with the manufacture of radio equipment and will manufacture radio sets to receive from 70 to 2,000 miles. Besides the regular radio equipment it will manufacture a radio-phonograph which will contain a complete wireless receiving set as well as an all record phonograph, in the same cabinet.

BRAZILIAN

The March statement of earnings of the Brazilian Traction, Light & Power Company, shows gross amounting to 15,238,000 milreis, an increase of 3,136,000 milreis over the figures for March, 1921. Operating expenses show a decline from 6,580,000 to 5,941,000 milreis, and net amounting to 9,297,000 milreis shows an increase of 2,775,000 milreis.

The aggregate gross for the three months ending March amounting to 44,743,000 shows an increase of 6,825,000 milreis, over the corresponding three months in the previous year, while the aggregate net amounting to 26,453,000 milreis, shows an increase of 8,035,000 milreis. The following figures show the gross, net and net increase for the past three months:

	Gross milreis	Net milreis	Net inc. milreis
Jan.	15,032,000	8,796,000	2,579,000
Feb.	14,473,000	8,360,000	2,681,000
Mar. ...	15,238,000	9,297,000	2,775,000

LISTLESS SPIRIT IS DISPLAYED IN GENERAL MARKET

Small Activity in Certain Industrial Issues, Remainder Weak

The general attitude of the market during the past week has been a listless one. While some of the industrial issues have enjoyed a measure of popularity, the majority have been inclined to drift along awaiting developments.

One prominent broker in discussing the general situation at the present time said, "To me a rising market is divided into two parts, the first part of which is considerably shorter than the latter; these two sections are divided by a period of reaction and fluctuating prices. For some months now we have enjoyed a strong upward market with hardly any setback, this has now come to a definite stop, at least temporarily. This reaction which has set may continue throughout the next few months, probably till the fall, before there is a material advance to the market in general.

Interest still continues in the good industrial issues rather than in the high grade bonds which were so popular a little while ago. Even the Victory bonds have dropped back a little in response to the prevailing spirit of the market. "All bonds of long terms will reach considerably higher prices, notwithstanding the rapid advance in the past year," is the prediction of McLeod, Young, Weir and Company, Ltd.

STOCK MOVEMENTS OF THE WEEK
Week Ending May 9

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	..	186	187	186	186	372
Dominion	12	..	192	191⅛	190	191⅛	70
Hamilton	12	168	..	168¼	168	168	69
Imperial	12+1	171	170½	171½	170½	170½	104
Molsons	12	164	160	160	159	159	66
Royal	12	..	199⅞	200	198	199½	328
Standard	14	201	..	200	200	200	52
Toronto	12	180	179	180	179	179½	35
Union	10	137	..	137	137	137	84

Industrials, Utilities, etc.	Div. Rate	Ask	Bid	High	Low	Close	Sales
Abitibi Paper, com.	..	56	55¾	57¼	55	55½	6557
Do., pref.	7		90	90½	90	90	125
Ames Holden, pref.	..	10¼	10	10½	9½	10½	355
Amer. Salesbook, com. ..	..	15⅛	15	15	15	15	5
Do., pref.	7	90	89	90	88	90	111
Asbestos Corp., com.	6	56	55⅞	57½	55	55¾	683
Do., pref.	7	75	74	77	74	76	175
Atlantic Sugar, com.	..	19¼	18½	20	18½	19¼	1535
Barcelona Traction	..	6⅝	6½	6⅞	6½	6½	445
Bell Telephone	8	112	111	114½	110	111½	6494
Brazilian Traction	..	44¾	44¼	46	44	44¾	10069
B. C. Fishing	..	28		29	27	27	110
Brit. Empire Steel, com. ..	..	12	11	12	10	11⅛	57
Do., 1st pref.	7	76	74	75	73	73	30
Do., 2nd pref.	..	27½	26½	27½	26½	26½	504
Brompton Pulp	..	33	32⅞	33½	31¾	32½	5392
Burt, F. N., com.	10	116	114	115	114	114	12
Do., pref.	7	115		115	115	115	10
Canada Bread, com.	..	34¾	34½	36¾	32	34½	2313
Do., pref.	7		93	93½	93	93½	38
Can. Car & Foundry, com. ..	..	27	26	27	27	27	95
Do., pref.	..	58	56	58	56	58	80
Canada Cement, com.	6	62	61½	63	61½	61¾	1230
Do., pref.	7		92	93	90	93	322
Canada Steamships, com. ..	..	22¾	22¼	24½	22¾	22¾	1600
Do., pref.	..	52½	52	56	51¾	52	3700
Can. Converters	7	83	82¾	83	82	83	580
Can. Cottons, com.	8	90	89	91½	91	91	175
Do., pref.	6		80½	80½	80½	80½	43
Can. Gen. Electric, com. ..	8	91	90	101⅛	90	90	4282
Do., pref.	7		101	101	100½	101	36
Carriage Factories, com. ..	..	8	6	8	8	8	25
Can. Locomotive, pref. ..	7	84		85	84½	85	25
Can. Pacific Railway.. ..	10	144	143½	145	144	144⅜	159
Canadian Salt	8	76	74	77	73½	76	306
City Dairy, com.	10		116	116	114	116	161
Do., pref.	7		95½	95½	95	95	60
Consumers Gas	10		150	152	151	151½	173
Detroit United Railway ..	..	63	62	64¾	63	63	205
Dominion Bridge	4	72½	70	72	70	71	382
Dominion Canners, com. ..	..	35	32½	33	33	33	190
Do., pref.	7	77½		79	75½	75½	93
Dominion Glass, com.	6	68	67⅜	68	67⅛	67⅛	950
Do., pref.	7	95		95	95	95	66
Dom. Textiles, com.	12		154	155	154	154	190
Do., pref.	7		109	109¼	109¼	109¼	15
Dominion Coal, pref.	7	75¼	75	75	75	75	165
Dominion Iron, pref.	7		75	74½	74¼	74¼	9
Dominion Steel, com.	..	32	29	30	28¾	29	160
Do., pref.	6	75½	75	75½	74½	75	197
Duluth Superior	..	19	18	18	18	18	125
Dom. Telegraph	6		40½	40½	40½	40½	50
Howard Smith Paper, com. ..	6	69½	69	70	69	69⅝	1205
Do., pref.	8	92½		93	92½	92½	70
Illinois Traction, com. ..	..	34½		34½	34½	34½	110
Do., pref.	6	80		80½	79	80	210
Lake of Woods, com.	12		163	165	163¼	164	67
Kaministiquia	8		78	80	80	80	2
Laurentide Paper	6	88		89	87½	88½	1805
Lyall Construction	..		35	40	34½	40	675
Macdonald, A.	..	16	15	16	16	16	5
MacKay, com.	6	95	94½	95½	93	95	2622
Do., pref.	4		66	66½	65	66¼	380
Maple Leaf Milling, com. ..	12	138		140	139	140	20
Do., pref.	7	100	99¾	100	100	100	330
Montreal Cottons, com. ..	6	86		86	86	86	10
Do., pref.	7	106		106	106	106	10
Montreal Light, Heat & Pr. Cons.	5	91⅛	91	91¾	90	90	1699
Montreal Telegraph	8		50	50	50	50	18
Montreal Tramways	10	150	149⅞	150	145	150	175
National Breweries, com. ..	4	55¾	55	58	55¾	56	2874
Do., pref...	7	90		90	90	90	15
Monarch Knitting, pref. ..	7		80	80	80	80	15
Ogilvie Flour, pref.	7		110	114	114	114	10
Ottawa Traction	4		72½	72¼	72½	72½	100
Ottawa L. H. & Pr.	6	88	86	86½	86	86½	368
Penmans, com.	8	107	100	107	106⅞	106⅞	70
Do., pref.	6		97	92	92	92	35
Porto Rico Rlys. com. ..	4	30	26	26⅞	26½	26½	70
Rogers, Wm., pref.	7	88	83½	82	82	82	2
Price Bros.	2	44	43½	46	43	43	2236
Pacific Burt, com.	2	48	46	48	47	48	18
Do., pref.	7	90	86	89	89	89	25
Quebec Railway, ...	—	26¾	26½	26⅞	24¼	26½	3743
Riordon Pulp, com.	—	9½	—	8½	8½	8½	135
Do., pref.	—	15½	—	15¼	15	15	80
Shawinigan, ...	7	106¾	—	107	106	106	896
Russell Motor, pref.	7	—	50	50	50	50	7
Sherwin Williams, pref. ..	7	93¼	—	93¼	93	93¼	135
Spanish River Pulp, com. ..	7	—	84½	90	83½	88¾	6848
Do., pref.	7	—	95½	98	94½	96⅝	8329
Steel of Canada, com. ..	7	70	69	72	67½	69¾	4605
Do., pref.	7	—	96	96½	95½	95½	48
St. Lawrence Flour, com. ..	6	83	82	82¾	82½	82½	70
Do., pref.	7	95	94⅞	95	95	95	15
St. Maurice Paper, ...	5	—	85	88	85	85	125
Toronto Railway, ...	—	65	64	66½	64	65	1435
Tuckett Tobacco, com. ..	4	44	42	54½	42½	42½	1075
Sawyer-Massey, pref.	—	30	25	26	25	25	52
Twin City, com.	—	49½	49	50⅞	49½	49½	1170
Wayagamack, ...	—	54½	54	55	51	54	1550
Winnipeg Electric, ...	—	42½	41½	42¾	41	42	246
Woods Mfg, com.	8	—	56	60	55	60	178
Canada Landed, ...	10	79	77	77¼	77	77¼	24
Canada Permanent	12	—	178	179	179	179	27
National Trust, ...	12	198¾	198	198	198	198	25
Huron & Erie	6+¼	114	111	112	112	112	10

Manufacturers, Corporations And Business Pay Income Taxes

The Farmers Pay a Much Smaller Portion Than the Professions of the Retail Merchants of the Country

The comparatively small proportion of income taxes in Canada paid by the farmers and the large proportion paid by manufacturers, corporations and business generally was emphasized by returns recently made in the House of Commons by the Ministers of Finance. The various amounts paid by farmers, manufacturers and others in 1919, 1920 and 1921 were summarized as follows:

1919

(a) Farmers	$ 350,759 53
(b) Professionals	596,100 87
(c) Mechanics	41,337 46
(d) Business	6,077,282 43
(e) Corporations	1,376,829 47
(f) All others	901,109 27
Total	$9,343,419 03

Manufacturers, wholesalers and retailers are included under the items (d) and (e).

In addition, businesses, including corporations, paid $32,970,061.81 under the Business Profits War Tax Act, 1916.

1920

(a) Farmers .. ..$	525,836 74
(b) Professionals	1,093,401 07
(c) Employees	4,786,520 73
(d) Merchants	4,450,375 34
(e) Manufacturers	2,551,503 49
(f) All others ., ...	6,856,782 06
Total	$20,264,419 43

Wholesalers and retailers are included under Item (d).

In addition, businesses, including corporations, paid $44,145,184.48 under the Business Profits War Tax Act, 1916.

1921

(a) Farmers	$611,736 64
(b) Professionals	2,642,585 66
(c) Employees :.	11,301,805 58
(d) Merchants	7,689,521 23
(e) Manufacturers	8,217,730 09
(f) All others	11,823,563 05
(g) Not classified	4,094,864 39
Total	$46,381,806 64

Wholesalers and retailers are included under Item (d).

In addition, businesses, including corporations, paid $40,841,401.25 under the Business Profits War Tax Act, 1916.

STATISTICAL CLASSIFICATION OF TAXPAYERS AND AMOUNT PAID BY EACH CLASS ACCORDING TO PROVINCES DURING THE FISCAL YEARS 1919 1920 AND 1921.

1921

Province	Farmers A $ cts	Professionals B $ cts	Mechanics C $ cts	Business D $ cts	Corporations E $ cts	All Others F $ cts
P. E. and N.S...	647 60	19,536 72	1,891 61	137,885 63	49,484 16	39,647 52
New Brunswick ..	204 30	10,988 07	277 24	111,986 79	38,291 82	31,280 69
Quebec	2,169 40	147,720 84	11,541 77	1,594,464 12	434,997 14	353,003 55
Ontario	28,079 88	277,600 27	17,564 89	3,311,324 45	550,412 67	274,957 44
Manitoba	71,358 97	62,733 68	4,881 86	483,781 35	80,804 15	37,050 76
Saskatchewan .. .	62,938 94	14,004 01	123 84	17,119 93	12,331 08	5,319 01
Alberta	179,389 28	30,987 17	720 35	130,733 64	83,950 04	32,180 11
Brit. Colum. ...	5,961 16	31,318 50	4,009 53	227,690 05	126,558 41	124,989 87
Yukon	10 00	1,211 61	236 37	2,296 47	....	2,680 32
Totals	350,759 53	596,100 87	41,337 46	6,077,282 43	1,376,829 47	901,109 27

Manufacturers, wholesalers and retailers are included under items (d) and (e).

1920

Province	Farmers A $ cts	Professional B $ cts	Employees C $ cts	Merchants D $ cts	Manufacturers E $ cts	All Others F $ cts
N.S. and P. E. I.	1,776 12	27,398 87	78,093 78	151,073 81	61,870 00	186,780 48
New Bruns.	2,597 00	16,091 83	46,465 24	104,853 13	62,510 00	100,853 78
Quebec	6,822 38	253,515 11	1,635,528 88	980,412 20	289,377 49	4,080,590 15
Ontario	73,777 40	545,856 46	2,255,569 64	1,879,637 71	1,822,428 00	1,605,467 72
Manitoba	61,827 20	91,862 16	378,385 80	753,366 66	140,045 00	445,901 04
Sask.	199,537 51	43,111 87	23,219 35	113,404 25	5,425 00	93,546 40
Alberta	157,757 11	56,852 82	87,751 10	217,177 81	16,990 00	99,719 88
Brit. Colum.	21,721 47	56,270 60	275,499 32	247,419 71	152,462 00	242,060 82
Yukon	20 55	2441 35	6,007 62	3,030 06	396 00	1,861 79
Total	525,836 74	1,093,401 07	4,786,520 73	4,450,375 34	2,551,503 49	6,856,782 06

Wholesalers and retailers are included under item (d.)

Province	Farmers	Professional	Employees	Merchants	Manufacturers	All others	Unclassified
N. S. and P.E.I.	7,883.69	61,483.77	238,047.69	308,546.55	159,366.36	310,874.59	108,142.46
N.B. .	1,197.26	27,455,18	169,662.30	174,049.68	101,465.47	129,104.81	98,528.83
Que. .	18,285.82	717,692.20	3,280,761.25	2,457,538.97	3,105,536.11	4,535,829.67	1,542,330.05
*Ont. .	40,973.58	1,282,478.98	5,538,637.66	2,916,519.75	4,246,143.27	4,409,496.99	1,579,546.63
†Man. .	145,906.20	182,927.18	1,020,149.22	852,883,38	248,495.26	1,024,222.60	488,151.04
Sask. .	165,032.06	114,968.64	158,537.72	253,409.74	15,882.01	390,409.41	95,297.05
Alta. .	127,722.24	120,355.51	339,532.80	292,065.38	110,051.51	369,915.53	39,355.35
B. C. .	104,707.32	131,536.88	544,639.44	433,533.48	230,519.55	649,261.56	143,512.98
Yukon	28.47	3,687.32	11,837.50	974.30	270.55	4,447.89	....
Total	611,736.64	2,642,585.66	11,301,805.58	7,689,521.23	8,217,730.09	11,823,563.05	4,094,864.39

Manufacturers, wholesalers and retailers are included under item (D).

*Includes receipts from that part of the province of Quebec lying west of Argenteuil.

†For 1919 and 1920 includes receipts from that part of the province of Ontario lying west of the District of Algoma.

A Great Future

The strength and importance of the Power Industry was never better demonstrated than now, when so many of the leading companies are showing continuous improvement in net earnings and operating conditions.

We have been actively identified for many years with the financing of some of the best known hydro electric developments in Canada, and as a result of our investigations and experience, are satisfied that the prospects before the Power Industry were never brighter.

Let us submit you the facts upon which we base our recommendation for investment in this class of security.

NESBITT, THOMSON and Company, Limited
TORONTO
Hamilton London, Ont. Montreal
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SMELTERS MAKING RODS AND NAILS

From Our Own Correspondent.

VICTORIA.—The progress made by British Columbia as a manufacturing province is indicated by figures recently given out by Industrial Commissioner Donald B. Martyn here to the effect that there are now 1,760 industrial establishments operating, manufacturing between 320 and 350 different classes of articles. British Columbia is extending its markets in the East more rapidly than ever before.

The Consolidated Mining and Smelting Company is now manufacturing copper rods at Trail, and it is expected that copper wire and nails as well as steel nails, will soon be manufactured in quantities sufficient for building up a healthy export trade. Later on, it is stated, the Consolidated Company will turn out flats and plate copper to be used in the manufacture of electrical apparatus.

Herbert Hoover says United States foreign trade is nearer normal than that of United Kingdom, France or Germany.

Germany during first three months of present year delivered goods in kind to Allies to value of 80,000,000 gold marks.

THE

DOMINION ALLOY STEEL CORPORATION, LIMITED

—AN ESSENTIAL INDUSTRY

At present, practically no alloy steel is manufactured in Canada. The tonnage imported from the United States each year will more than keep the modern plant of this company at Sarnia working to capacity.

Alloy steels should not be confused with ordinary steel used in bridge and building construction, rails, plates, etc., at present being manufactured in Canada.

An opportunity to participate in the growth of this industry in Canada is given by the offering of

8% Cumulative Preferred Shares

These shares are preferred both as to assets and dividends, and bear an 8% Cumulative Dividend, payable quarterly

The management of the company is vested in the hands of the most prominent Alloy Steel men in Canada and the United States—men who have spent their lives perfecting and manufacturing successfully alloy steel.

Directors:

HARRY ROSS JONES, (Chairman of the Board), Canton, Ohio; Director and formerly President United Alloy Steel Corporation, Canton, Ohio.

GEORGE A. SIMPSON, (Vice-President), Hamilton, Ontario; formerly Sales Manager and Special Representative of the Steel Company of Canada, Limited, Hamilton.

C. HAROLD WILLS, Marysville, Michigan, President C. H. Wills Motor Co., Marysville, Michigan; formerly Chief Engineer Ford Motor Company.

WILLIAM B. BOYD, M.I.E.E., (President), Toronto, Ontario; formerly Electrical Engineer Illinois Steel Company, Chicago; formerly Chief Electrical Engineer, Dominion Iron & Steel Company, Sydney, N.S.; Chief Consulting Engineer to many large Canadian industries.

W. WALLACE JONES, Toronto, Ontario; President; Ontario Steel Products Co., Limited.

BERT H. McCREATH, (Vice-President), Toronto, Ontario; formerly Assistant Manager, Toronto Daily Star; Managing Director, Dominion Bond & Debenture Corporation, Limited, Toronto, Ontario.

COLONEL WILLIAM McBAIN, Toronto, Ontario; President, Windsor Securities Corporation; President, William McBain & Company, Limited.

W. A. BLACK, Montreal, Quebec; Vice-President, Molsons Bank; Vice-President and Managing Director Ogilvie Flour Mills Co., Limited.

SIR WILLIAM MACKENZIE, Toronto, Ontario; President, Toronto Railway Company; Director, British Empire Steel Corporation; Director, Canadian General Electric Co., Limited.

J. J. MAHON, Newark, N.J.; Consulting Steel Metallurgist; formerly Chief Engineer of the Crucible Steel Company of America.

We consider the shares in the Dominion Alloy Steel Corp., Limited, represent a conservative investment, backed by capable, efficient management and an ever-growing demand for the product.

Price: $100 per share, carrying a 40% bonus of common stock.

A Partial Payment Plan will be submitted to you on request.

Write today for a descriptive circular.

Orders may be telephoned or telegraphed at our expense, or through your own broker.

DOMINION BOND & DEBENTURE CORPORATION
Limited
INVESTMENT BANKERS
ROYAL BANK BLDG. TORONTO

THE NEWSPRINT CONSUMPTION IS MORE THAN EVER

Greater During Present Year Than it Was In 1920

WILL PRICES INCREASE

Conditions At Present Time Are Similar to What They Were Before The Big Upward Swing

From Our Own Correspondent.

NEW YORK.—Commenting on the dispatch which appeared in THE FINANCIAL POST last week from Montreal regarding the situation in the newsprint market, one of the officials of a leading American newsprint manufacturing organization, with a weakness for statistics, gave your correspondent further statistical justification for the recent strength of Canadian pulp and paper securities.

Not only has consumption during the month of March been much greater than it was in February, but it was greater during the first three months of the current year than it had been during the same three months in the "banner" year 1920. Newsprint consumption was therefore greater than it had ever been before in the history of the industry.

And it seemed, according to this authority, that the consumption curve would be upward rather than downward during the next few months. For he pointed out that at the end of March the number of days' supply in the hands of the American publishers was lower than it had been since May 31, 1920.

The Increasing Demand

Not only was the stock of newsprint in the hands of the publishers of the country smaller, but the average number of pages being printed by the larger newspapers of the United States was larger than it was in either 1920 or 1921.

"It is significant," your correspondent was told, "that exactly this same combination existed in the newsprint market just before the last great price increase." The following tabulation of percentages of increase shows in concise form the recent improvement which has taken place in consumption.

Newsprint Paper Consumption in U. S. 1922 and 1921.

1922	Percent. Increase Over 1920	Corresponding Period of 1921
January . . .	6.5	10.4
February. . .	6.8	10.7
March.	9.7	9.9

Per cent. of increase during first two months of 1922 over that during
First two months of 1920 .. 6.9 p.c.
First two months of 1921 .. 10.6 p.c.

Per cent. of increase during first three months of 1922 over that during
First three months of 1920 .. 7.7 p.c.
First three months of 1921 .. 10.3 p.c.

In Terms of Tons

In terms of tons the American consumption during the first three months of the present year 1921 and 1920, was for ninety-three per cent. of the American newspapers as follows:

	1922	1921	1920
January . . .	156,333	141,559	146,763
February. . .	149,863	135,334	145,282
March.	169,574	154,278	154,573
Total	475,760	431,171	446,618

In both these tables adjustment has been made to provide for the fact that February, 1920, had twenty-nine days.

Larger Newspapers

Illustrating in an illuminating way the increase in the size of the average newspaper, is the following tabulation:

Average Number of Pages Printed During January, February and March, 1922, by Ninety-Three Per cent. of the Newspapers in the United States.

	Daily Edition pages	Sunday Edition pages
January . .	23	80
February. .	23	85
March . . .	25	91

It is interesting to note that during March of last year the average number of pages printed in the daily editions of these same newspapers was twenty-three and in the Sunday editions eighty-five.

This increase in the size of the average newspaper was due your correspondent was told not so much to the increase in advertising carried as it was upon the fact that most of the newspapers of the United States were engaged in building circulation and were in most cases attempting to do this by giving their readers more for their money than they formerly did.

In answer to the question as to whether an increase of such a kind could be regarded as permanent, your correspondent was told that most newsprint manufacturers on this side of the line believed that when the present competition between the newspapers for circulation began to fall off, increased advertising due to the business revival now under way would counteract an effect the change might have on newsprint consumption.

National Bank of Credit to be organized at Rome, with directors almost wholly from largest creditors of insolvent Banca Italiana di Sconta.

Action brought in Baltimore City Court to keep $9,000,000 soldier bonus referendum, passed by legislature, off ballots at next election.

Large Estates Handled by Trust Companies

The following estates of $100,000 and over have been administered in Canada during the past year by the companies indicated.

Chartered Trust & Executor Co, Toronto
Sir William Gage, Toronto.. $900,660

The Consolidated Trusts Corp., London
Thomas McCormick Estate, assets $600,000

The Eastern Trust Company, Halifax.
Sen. William Dennis, Halifax $714,093
Warren Ogilvie, Truro 348,202
Chas. L. Rood, New Glasgow 310,613
Jas. F. Robertson, St. John 606,990
James A. Tilton, St. John.. 151,365
Daniel Munroe, St. John's... 197,713
A. R. H. McPherson, St. John's 207,607

London & Western Trusts Company, London.
J. L. Englehart, Petrolia....$2,056,800
John Smith, Tillsonburg..... 119,000
T. H. Weldon, London 250,000

National Trust Company, Toronto.
Sir Frank Wilton Baillie, K.B.E., executorship.. .. ..$2,216,583
Mrs. Margaret Blong, executorship 201,648
Henry Robertshaw Frankland, co-executorship.. 121,776
Daniel Freeman Britton, administration de Bonis, Non. . 128,222
Miss Jessie McNab, executorship 138,099
Robert McLaughlin, co-executorship 500,285

The Premier Trust Company, London.
Dr. W. F. Roome, ex-M.P... $100,063
Dr. W. H. Moorhouse 100,185

The Canadian Guaranty Trust Company, of Brandon, reports two smaller estates: W. T. Atchison Estate, Findlay, Man., $80,000, and J. S. Maynes, Harrowby, Man. $50,000. (Mr. Maynes died in DeLand, Florida, and part of the estate is situated there.)

GRAND TRUNK DEFICIT $9,400,000 GREATER

Operating Revenue Was $76,858,032 Compared With $81,442,647 for 1920

The financial statement of the Grand Trunk Railway for the year ended December 31, 1921, shows a small decline in the gross revenue at $76,858,032, as against $81,442,647 for 1920 and $68,744,358 for 1919. Despite the drop in operating expenses, interest and rental charges are more than proportionately heavier, with the result that the company, after all charges, shows a deficit of $14,064,442. This compares with a deficit of $4,599,105 for 1920 and net income of $363,270 for 1920.

The following statement gives the comparison of income and expenses for the past two years:

	Year 1921	Year 1920
Oper, revenues ..	$76,858,032.27	$81,442,647.32
Oper, expenses .	71,179,292.80	76,213,815.16
Net oper. rev. ..	$ 5,678,739.47	$ 5,228,832.16
Taxes and uncollectible rev. ...	1,334,485.96	1,303,067.25
Ry. oper. income	$ 4,334,253.51	$ 3,925,764.91
Non-oper. income	8,634,101.55	7,706,272.77
Gross income .	$12,978,355.06	$11,632,037.68
Deduc. from gross	27,042,797.42	16,231,142.21
Net deficit trans. to profit and loss	$14,064,442.36	$4,599,104.53

The operating revenues for the year were $76,858,032, a decrease as compared with the year 1921 of $4,584,615 or 5.3 per cent. Revenue from freight traffic was $54,239,903, a decrease of $3,862,150, or 6.65 per cent. Number of revenue tons carried 21,687,749, a decrease of 4,634, or 17.61 per cent. Revenue tons carried one mile 4,052,564,411, a decrease of 976,087,113 or 19.41 per cent. The average haul per revenue mile was 186.86 miles.

The assets of the company are valued at $591,812,241, as compared with $556,125,072 for 1920. The largest single item is capital expenditures at $465,462,955, against $440,697,914. Investments in affiliated companies total $44,367,782, against $41,724,288. Miscellaneous accounts show a reduction from $18,937,451 to $9,828,162. Materials and supplies are practically unchanged at $18,000,000. Deferred assets are down from $12,493,291 to $3,576,455, while unadjusted debits have increased from $11,179,054 to $37,774,826.

The profit and loss debited now stands at $17,475,496, as compared with $4,282,841. Funded debt has increased from $87,770,761 to $159,878,903. Accounts and wages payable have been substantially reduced to $11,596,936 from $26,577,921. Dividends matured, unpaid, amount to $3,564,155; interest matured, unpaid, $1,711,797. Deferred liabilities have been reduced from $7,020,220 to $5,818,619. Unadjusted credits at $7,905,390, compare with $7,609,313.

DETROIT UNITED

The following statement was issued on Wednesday from the Board of Detroit United Railway.

The April operating revenue totalled $1,802,118 against $2,051,438; operating expenses $1,288,629, against $1,725,659. Net income was $372,686 against $102,432. April figures compare as follows:

April	1922	1921
Oper. rev..	$1,802,117	$2,051,438
Oper. exp.	1,288,629	1,725,659
Non-oper. rev. . .	136,599	41,542
Net income	372,686	102,432
P. C. on common .	29.08	8.00

Net income for the first four months of the current year amount to $1,001,374 against $376,551 last year, being 19.53 per cent. earned on the common against 7.35 per cent. last year.

The four months' figures compare as follows:

Four months	1922	1921
Oper. rev.	$6,792,218	$7,969,114
Oper, exp.	5,321,412	6,757,970
Non-oper. rev. . .	1,689,164	1,087,231
Net income	1,001,374	376,551
P. C. on common .	19.53	7.35

Shareholders Benefit From the Exposures of The Financial Post

To the Editor THE FINANCIAL POST

As a reader of your paper and a shareholder in Canada Steamships I concur in all the articles written in your paper in connection with the financial operations of this company.

Many of the shareholders commented upon the articles appearing in THE FINANCIAL POST. When the stock on the market was sagging from 86 to 34 some of us felt as though our stock was being sacrificed through the articles in the POST but we now understand that your paper has been the means of cleaning out the rings and the sink-holes where the shareholders' earnings were being looted to support the outside issues in which some of the directors were more interested.

We believe the articles in your paper have been the means of upsetting the old board of directors and putting in a stronger board who, we hope, will look after the property and the profits of which they are custodians.

The stock has appreciated from a low of 34 to 55 on the strength of the confidence that the investors have in a new board of directors, whose efforts we hope will be the means of the dawning of a brighter day for Canada Steamships.

We have been told on reliable authority that many acts of the old board of directors would not bear investigation. It has been said that action should be taken against them for restraint of trade in the holding up of prices for shipping grain from the Great Lakes, all of which passes through the hands of the Standard Shipping Company, upon whose operations comment has already been passed. In this way, through the manipulations of this concern prices have been held up for carrying grain, even going so far as to make arrangements with opposition lines for full prices and full loads in order to keep up the prices. We are assured that more of this will be heard of at the proper time.

"Shareholder."

Winnipeg, May 7, 1922.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts for the week ending April 30, amounting to 9,173 tons, while for the first four months of the year the receipts totalled 147,614 tons, 144,695 tons of which were produced by the company's mines and 2,919 tons by other mines.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mort. 6s, 1940	84	88
Algoma Steel 5s, 1962...	52	....
Alta. Pacific Grain, com	100	112½
Do pref	87	....
Ashdown Hard. 5s, 1928.	87½	....
Can Oil com	47	51
Can. Westinghouse	109¾	....
Can. Woollens com.	36	....
Cockshutt Plow pref....	42	44
Colling. Ship Bld. com..	30	42
Do 6s	90	....
Davies, Wm. 6s	100¼	....
Cuban Can Sugar pref..	16	17
D. Iron & Steel 5s, 1939.	75	....
Dom. Power com.	24	25½
Dunlop Tire 6s	30	....
Eastern Car 6s	90	....
Famous Players pref....	47	51
Great West Life	200	....
Gunns Ltd pref.	65	67½
Home Bank	....	100
How. Smith P. 7s, 1941.	....	94
Imperial Oil	116	120
King Edward Hotel com	57	62
L. Superior Paper 6s...	88½	....
Lambton Golf	440	475
Manufacturing Life	38	....
Massey-Harris	46	50
Mattagami debs.	30	35
Murray-Kay pref	54	57
National Life	40	....
Neilson, Wm. 6s	90	....
N S. Steel 6p.c. deb.....	72½	74
Ontario Pulp 6s	88	....
Robt. Simpson pref.	81	82
Spanish River 8s 1941..	95	100
Sterling Bank	101	103
Sterling Coal com.	16	21
Toronto Power 5s 1924..	94	95
Trust and Guarantee ..	71	73
Amer. Salesbook 6s	98	....
Durant Motors	10¼	11
English Electric com	20	23
Do pref.	96	10 0
Mount Royal Hotel com.	24	26
Do debs 30 bon com..	....	97½
Western Assurance	4½	5½
Western Power 5s	76	77¾
Whalen Pulp com.	....	10
Do pref.	28	....
Winn. Electric pref.	83½	84½
K. E. Hotel Cons pref..	....	69
Peoples Loan	67	....
Western Grocers, pref. ..	59	....

We offer—

$400,000

Treasury Stock

Jewett Radio-Phonographs

Limited

Head Office: Windsor, Ont.
Factory: Walkerville, Ont.

CAPITALIZATION:

	Authorised	To Be Issued
CAPITAL STOCK (Par value $10.00 per share) - -	$1,000,000	$700,000

No Bonds or Preferred Stock

No promotion or bonus stock has been or will be issued

DIRECTORS

E. H. JEWETT
President, Jewett, Bigelow & Brooks Coal Company
Director, Paige-Detroit Motor Car Company,
Detroit.

C. F. UNDERWOOD
General Manager, Jewett Phonograph Company,
Detroit.

GEO. M. SEYMOUR
Vice-President, Jewett Phonograph Company,
Detroit.

H. A. LEACH
President, Leach, Clegg & Leach,
Ottawa.

FRANK ORME
President, Orme, Limited,
Ottawa.

Registrar and Transfer Agent: MONTREAL TRUST COMPANY.

All legal details in connection with this issue have been passed upon by Ross & Holmsted for the Brokers, and by Stellwagen, McKay & Wade, of Detroit, for Jewett Radio-Phonographs, Limited.

$100,000 of this issue has been subscribed for by Mr. E. H. Jewett

PRODUCTS

The Company has acquired numerous patent claims in connection with wireless receiving apparatus used in combination with phonograph reproduction and amplifying of sound. The Company will produce a Radio-Phonograph which is a complete wireless receiving set and an all-record phonograph in the one compact cabinet. It will also manufacture receiving sets from the smallest, having an adjustment of from 460 to 600 metres in wave length to receive approximately over a radius of 70 miles to the larger instruments which will have an adjustment of from 160 to 2,100 metres wave length and which will be capable of receiving over a radius of approximately 2,000 miles. These receiving sets will be manufactured in all standard sizes and at prices to retail from about $22.50 for the smallest up to $500 or over.

They will also manufacture a Radiophone which has the wireless apparatus installed in a special cabinet to supply the market demand for the cabinet receiving sets without the phonograph attachment.

The Company will specialize on the Radio-Phonograph, in which is embodied all the beauties of cabinet construction, making of it an instrument which can be placed with pride in any drawing-room.

RADIO

The uses of Radio communication are so limitless that even our best informed scientists are not willing to even attempt to prophesy what is going to happen, or to what extent it will go. Each day new uses to which it can be put are conceived, and it is beyond the human imagination at this time to say what five years will bring forth for Radio.

MANAGEMENT

The management of the Company's affairs will be under the personal supervision of Mr. E. H. Jewett, who will at all times have the benefit of the experience of his associates, in the handling of the problems of manufacturing and merchandising the company's products. Mr. Jewett is one of America's outstanding Industrial leaders—a pioneer in the automobile business, and a proven success in any enterprise which he has undertaken. He has been largely responsible for the tremendous success of the Paige-Detroit Motor Car Company and its products of world-wide fame. Along with the Paige is now being produced the Jewett Six, which is a proven success. This is an example of a high-grade efficiency product at a moderate price. Its production necessitates the application of expert knowledge in both manufacturing and distribution.

Price: $10 Per Share

Orders May be Telephoned or Telegraphed at Our Expense.

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LIMITED
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Adelaide 7781

Federal Finance Corporation
LIMITED
Investment Securities
ROYAL BANK BLDG. - - TORONTO
Adelaide 1526

"The same leadership which made the Paige the most beautiful car in America is behind the Jewett Radio-Phonograph."

Judicious Financing

Whether you are engaged in agricultural, manufacturing, industrial or merchandizing pursuits, your prosperity depends primarily upon the judicious handling of finances.

This Bank offers you a constructive, stabilizing service, coupled with competent advice, and is willing to foster enlargement on safe lines.

Make a banking connection conducive to sound growth. Consult our local manager.

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OF CANADA
216 BRANCHES IN CANADA

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND — Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

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Western Canada Flour Mills Company
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We invite you to avail yourself of the complete facilities of our Savings Department. Interest compounded half-yearly and full checking privileges allowed.

One dollar or more will open an account. As your savings increase you may invest in our ordinary or accumulative debentures and secure the attractive rates of interest these high-grade securities yield. For example, $76.24 will buy an Accumulative Debenture for $100 payable at the end of five years, increasing your capital in that period by more than thirty per cent.

Canada Permanent Mortgage Corporation
14-18 Toronto Street TORONTO

We have been giving satisfactory service to savers since 1855

STOCK EXCHANGE IS OPERATED IN PUBLIC INTEREST

President New York Board Decries Too Many Regulations

LOOK FOR MIRACLES

Some People Make no Investigation of Proposition and Then Expect to Make Money on "Plunge"

"Investigate and then invest," might well be taken by the public as its motto in buying stocks and bonds. Seymour L. Cromwell, president of the New York Stock Exchange, told 600 advertising men at their annual dinner at the Waldorf-Astoria Hotel. He took the opportunity to refute critics of the Stock Exchange, to defend its operations and to answer those who seek to regulate it by legislation.

"My idea is that as long as this institution maintains the high standard for honesty that it has it shall not be hampered," Mr. Cromwell said, and declared that the Stock Exchange seeks to protect the public from the bucket shop dealer and the crook.

"Much of the condemnation vented on the Stock Exchange," he said, "originates from the disastrous experiences of the unwary or unthinking investors who walk into the first so-called broker's office and give over their money for any kind of an embossed certificate. An appalling number of people accept without question the gilt sign on the window as the evidence of a firm's responsibility and make no inquiry into the character and standing of the persons back of the name plate or the merits of the security offered.

"If the public would be on guard against these so called brokers who have salesmen out peddling stocks, if advice were sought when the mails bring glowing promises of big returns from small investments the story would be different. The employment of such tactics is the best warning the public could have that something crooked is being attempted.

"The Stock Exchange can do nothing to protect the public against the catch penny, unlisted security other than utter the warning "investigate and then invest." The exchange forbids its members bucketing or having intercourse with such concerns. Through control over issuance of market quotations it makes it impossible for the bucket shop to continue in business once its true nature is discovered.

'The wireless offers great possibilities for spreading quotation prices and may be abused, but with restrictions should be of great service.

New Type of Bucketing

"Bucket shopping is said to run in cycles, but the character of such shopping changes. The old type was a gambling institution. The new type actually bought and sold securities on orders, but at once reversed the transaction in dummy accounts. There is no need for the small investor to patronize such places. We appreciate fully our duty to safeguard and encourage the small investor.

"The suggestion is often heard that the State should examine the books of our members the same as it does banks. There is objection because of the peculiar relations between the broker and his client. The bank only knows what a man has on deposit. The broker's books show actual uses the man has made of the money and the risk he is taking.

"We closely supervise our members' affairs and our new requirements give the public reason for greater faith.

"There is nothing more democratic than the market. Some critics would have us licensed or incorporated, would substitute law for our rules. You do not produce honesty by legislation. Ethical restraint is more effective than statutes. Blue sky laws never accomplish their purpose. The plan of licensing is full of danger. You cannot keep a crook from getting a license and a license is not what is claimed for it. We are not opposed to legislation to protect the public against fraud, but the way to stop fraud is to convict the wrongdoer and the law provides for that."

NORTHERN ONTARIO POWER

A considerable improvement has been made in the earnings of the Northern Ontario Light & Power Company, for the first quarter of the year. Gross revenue from all sources amounted to $214,268 as compared with $175,683, while net profits after all charges, were $74,156 or more than twice dividend requirements, against $23,675 for 1921, which was $12,067 less than preferred dividend requirements in the first quarter of 1921.

The company recently completed a 50 ton pulp mill to care for the pulp wood on its concession of 150 square miles of timber lands obtained from the Dominion government. This mill will be operated by a separate corporation, all the stock of which is to be owned by the Ontario Company. The demands for power are said to be in excess of capacity to supply.

R. T. Scott Repudiated by Mortgage Company

From a letter which has been sent to the shareholders of the Mortgage Discount and Finance, Limited, it is quite evident that the president Sir John Willison and his co-directors, are anxious that the name of R. T. Scott should be absolutely disassociated from the company's activities. The letter, which accompanies a notice that arrangements have been made with a financial agency to handle the company's shares, says in part:

The R. T. Scott Company has never had any relation with this company except that of sales agent. Mr. R. T. Scott is not and never was one of its directors. The R. T. Scott Company sold a portion of the stock of this company and was paid commission until the contract was terminated. With the termination of the contract all relations between this Company and the R. T. Scott Company or Mr. R. T. Scott ceased definitely completely and finally. He has not now any authority to sell or re-sell the shares of this company nor is this company interested in any new company which Mr. Scott may be promoting or in the R. T. Scott Company itself.

MERGERS THE ORDER IN THE GOLD MINES

Steady Progress Being Made in a Period of Many Wild Reports

Special Correspondence

COBALT.—In the midst of all the wild reports of gold finds and wild cat stories, all having more or less results in the speculative field of endeavor, there is one movement which is continuing unmolested, though slow, which promised to work to the real benefit of the mining industry and that is the talked of mergers among the golds. Two very important amalgamations are in the air at present: Dome Lake and West Dome Consolidated and the Teck-Hughes-Orr.

Amalgamations in the past have made for better mining. The three big gold producers of Porcupine, Hollinger, Dome and McIntyre are nothing more than amalgamations. They have made for big mines, big production, low costs and high profits. The latter after all, are the main object for it is the zest for big profits that makes for interest in the mining game as in any other line of industrial activity.

The West Dome-Dome Lake merger is said to be nearing consummation. The preliminaries have been practically agreed upon. However, the matter has to go before the shareholders of the two companies as yet. Such a move, however, should make for a mine where two idle companies at present exist.

The Tech-Hughes-Orr merger is a two year old proposition. There are those in the north who have long contended that this was the real and logical move for both companies. Certainly such a merger will make for a big mine and a rich mine. Both properties touch the lake shore and both properties are known to have rich and extended ore bodies.

GOOD PROGRESS OF "LA SOCIETE"

Increase in Net Profits—Trusteeships for Over $29,000,000—Surplus of $139,000

From Our Own Correspondent.

MONTREAL.—The annual report of La Societe d'Administration Generale of Montreal for the year 1921 shows an excellent record of progress. The net profits for the year amounted to $40,305 as compared with $28,833 for the previous year. With $118,827 as surplus carried forward from 1920 there was available for various distributions the sum of $159.133. Out of this there were paid $10,000, the regular dividend of 8 per cent. on the capital stock, and $10,000 as contingent depreciation on buildings, leaving a balance of $139,133 which is carried forward to profit and loss for the year 1922. The funds under administration by the Society amounted to $14,905,199, an increase of $3,162,301 as compared with the total of $11,762,757 at the end of 1920. The company's trusteeships for issues of municipalities and incorporated companies now exceed $29,000,000. The subscribed capital is $500,000 of which there is paid up $125,000. Reserves and undivided profits now amount to $214,133.

The officials of La Societe as elected at the annual meeting are as follows: President, Sir Hormisdas Laporte; vice-president, Martial Chevalier; also J. O. Gravel, Tancrede Bienvenu, L. dela Balle-Poussin, Hon. Rodolphe Lemieux, K. C., M. P.; Napoleon Lavoie, J. A. Richard, LL.D.; G. N. Moncel and A. Turrettini. J. Theo. Leclerc is the general manager of La Societe d'Administration Generale in succession to Martial Chevalier who now resides in France, but continues his connection with the Societe as vice-president and member of the Board of Directors. Mr. Leclerc is also assistant manager of the Credit Foncier Franco-Canadien.

Minister of Agriculture Hermes puts Germany's tax revenue last year at 90,000,000,000, marks, excess of 34,000,000,000 over estimates.

Literature

The right use of spare moments in reading and study qualify a man to deal intelligently with his own personal problems and with things in general.

There is nothing of more personal interest to every man, nor yet more frequently lacking, than an intelligent knowledge of life insurance—its necessity, its worth, its investment and other features. We have specially prepared literature dealing with its every phase. A post card will bring it to you, and a little of your spare time will enable you to weigh it intelligently.

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Commercial stationery—like clothing or furniture—should be chosen with equal consideration as to style, coloring and value.

The appearance of your business letter is just as important as your own personal appearance. "COLONIAL BOND" is a superior, tub-sized, rag content stock with that finish—that appearance of quality which proclaims its fitness for many commercial purposes. It is made in white and colors by The Rolland Paper Company, Limited, Montreal — makers also of "Superfine Linen Record," "Earnscliffe Linen Bond," "Empire Linen Bond," and "Mount Royal Bond."

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"I Will Give You $1 for that Copy"

So said a Toronto business man to one of our representatives who showed him a copy of one of last year's issues of THE FINANCIAL POST.

Recently another subscriber offered $2 a copy for several back numbers of THE POST required to complete a file.

Because THE POST supplies much information that is to be had **in no other publication** many of its readers keep it on file for reference.

The City Treasurer of a large Western city had a special table built in his office to carry a complete file of THE FINANCIAL POST to which he refers nearly every day. There are many others like him who find THE POST valuable beyond the first reading.

It is because THE FINANCIAL POST is valued by its readers, is closely studied and is in many cases retained for reference that it offers the advertiser so much of those important qualities that advertising experts call **"reader attention"** and **"reader interest."**

The leading investors, business men, bankers, financiers, public officials in every community of Canada read THE POST. THE FINANCIAL POST gives the advertiser

"QUANTITY of QUALITY"

A NEST EGG

(Wall Street Journal.)

On a certain day in July, 1855, there entered the Seamen's Bank for Savings a foreigner, a Belgian, who deposited $45. At certain periods thereafter, this depositor brought his passbook back to the bank to have entered thereon the interest due. At first his visits were infrequent, sometimes several years intervening. Subsequently, however, he paid regular annual visits. But he never made an additional deposit and he never withdrew anything. After the original entry the passbook showed only the customary red ink notations of interest.

Early this year the depositor died and his executors closed the account. To the original $45 had been added interest amounting to $1,017, making a total credit balance of $1,062.

While there may have been cases of abandoned, or forgotten, bank deposits covering a longer period, where the resulting interest was larger, this careful treasuring of a single deposit and accumulation of interest for nearly 67 years is regarded as something of a record.

"STEAMSHIPS" HAS HEAVY LOSSES ON OCEAN TONNAGE

Amount of Nearly $3,500,000 Deducted From Surplus to Cover This

PROFITS ARE REDUCED

As Result of Losses on Ocean Operations—$1,250,000 Written Off For "Investments"

From Our Own Correspondent.

MONTREAL—The annual report of Canada Steamship Lines for the year 1921, which is submitted over the name of W. H. Coverdale, bears the marks of a re-valuation of the properties of the company in a manner that leaves its impression upon the surplus account. There is a sum of $3,873,895 written off the values of ocean vessels, and another amount of $1,250,000 as a write-off for depreciation of "investments," which reduced the surplus from $8,734,314 at the end of 1921, to $3,610,719 to carry forward to 1922, a total reduction of $5,124,000. At the end of 1920 there was a surplus of $8,611,000, so that the surplus at the beginning of 1922 stands an almost even $5,000,000 less.

Ocean Losses Cut Profits

The profits of the year, as had been anticipated, showed a considerable reduction from those of the previous year, the earnings amounting to $2,352,579 as against $4,028,274 one year ago, or after deducting interest, depreciation, bad debts, taxes, etc., there remained a net profit of $772,850 as compared with $1,932,000 one year ago and $2,336,000 two years ago. To this amount there must be added $225,000 profit on sales of vessels, making a total prolt for the year of $998,000 as compared with $3,561,000 a year ago. This left a balance at the end of the year 1921 of $123,000 after meeting preferred dividends of $875,000. No common dividend was paid during the year 1921, so that this balance of $123,000 was added to the previous surplus. From this was taken somewhat over $5,000,000 for losses mentioned.

Deficit in Working Capital

The net working capital of the company, as it stood on December 31, 1921, showed a deficit of $833,000. It is to improve this position and to meet some pressing bank and other indebtedness that the bond issue is now being floated. A comparison of the working capital position of the Company from allowances made for the sale of this $6,000,000 of bonds will be found elsewhere in this issue.

Gross Earnings $12,000,000

The gross earnings of the company had reached their high mark to date in 1920, with over $20,000,000 of receipts, an increase of $5,000,000 over the previous year. This included receipts from ocean business, whereas the year 1921, showed a considerable loss in this new end of the company's activity, with the tourist traffic and Upper Lakes traffic holding up well. The net result was that the total receipts shrank from $20,000,000 to $12,786,000 for the past year.

The following is a statement of the profit and loss account of the company for the past three years.

Profit and Loss Account

	1922	1921	1920
	$	$	$
Total rec.	12,786,679	20,248,611	15,240,414
Expenses .	10,434,100	16,220337	10,660,141
Earnings .	2,352,579	4,028,274	4,580,272
Less:			
Interest ...	643.951	621,856	360,944
Deprec. . ..	787,126	1,349,245	1,371,286
Bonus	....	....	47,687
Bad debts .	30.000	30,000	30,000
Directors .	28.650	34,400	33.675
Gov taxes .	90,000	60,000	400,000
Tot. deduct	1,579,728	2,095,501	2,243,594
Net profit .	772.850	1,932,772	2,336,679
P. on sales	225,317	1,628,464	773,601
Tot. prof. .	998,167	3,561,236	3,110,280
Pfd. divs. .	875,000	875,000	875,000
Net earn.	123,167	2,686,236	2,235,280
Com. divs.	....	840,000	480,000
Balance . .	123,167	1,846,236	1,755,280
Prev. surp. ..	8,611,147	6,764,911	5,009,630
Tot. surp.	8,734,314	8,611,147	6,764,910
Less:			
Writ. off.	*3,873,595		
Balance .	4,860,719		
Less:			
Deprec. . .	†1,250,000		
Surplus .	3,610,719		

*Amount written off values of ocean vessels.

†Amount transferred to reserve for depreciation of investments, etc.

Working Capital Account

	1921	1920
Current assets		
Cash	1,039,323	683.432
Acc. rec.	1,362,466	3,796,523
Adjusted losses due by underwriters .	1,030,165)	
Insur. and other		2,501,980
claims	1,573,689)	
Inter, rec.	8.996	5,440
Inventories	458,287	1,030,316
Total	5,472,929	8,017,693
Current liab. and and other Bank Loans	1 944,319	2,163,715
Bank adv. on behalf of Assoc. Company	1,122,839	....
Bal. owing purch. M.T. Co.	2,479,942	3,302,129
Acc. pay	2,479,942	3,302,129
Bond int. accr.....	163,010	117,082
War Tax res.	377,562	396,322
Pref. div.	218,750	218,750
	6,306,424	7,547,999
Deficit Work Cap.	833,495	469,694*

*Surplus working capital.

Note:—In last year's balance sheet there was an amount of $1,483,391 as an advance to associated company set down as a "contingent liability."

The following statement from the new president who signs the general report while Mr. Norcross as president on Dec. 31, 1921, and Mr. Smithers, as directors, sign the financial statement—is brief, but concise, and will be of interest as an explanation of the general tendency of the report. This reads as follows:

Balance Sheet Revised

"The abnormal expansion of the business of the company during the war, and for a period after the war, and which was followed by great depression in the world's shipping trade, seriously affected the result of the company's operations during 1921, and the preferred dividend has since been deferred.

"Under the advice of expert engineers and accountants the company's balance sheet has been revised to reflect existing values of tonnage and property.

By-laws to be Amended

"In order to pay off bank loans, and to provide additional working capital, your directors have arranged for an issue of $6,000,000 of collateral bonds.

"You will be asked to approve certain amendments to the company's by-laws, the desirability of which is obvious.

"The company's properties are in a good condition, and the general efficiency has been well maintained."

FAIRBANKS-MORSE HAD HEAVY LOSSES

Deficit in Operations and Inventory Adjustments Over $1,400,000

From Our Own Correspondent.

MONTREAL.—The financial statement of Canadian Fairbanks-Morse Co. for the year 1921 will be a disappointing one for the shareholders, inasmuch as it shows an actual loss on operations for the year of $1,425,055, as contrasted with operating profits for the year 1920, before deductions, of $279,562, and for the year 1919 of nearly $700,000. A notable feature of the report is the absence of the usual profit and loss account, which makes a comparison in this respect with the previous year impossible. Thus there is no statement in regard to the amount at credit of profit and loss on December 31, 1921, as compared with a surplus of $3,726,690 at the end of 1920. The working capital account still remains fairly substantial, however, at $2,261,896 which compares with an amount of $3,697,000 at the end of 1920.

In general the company found itself in a more unfortunate position than most industrial concerns in the readjustment period since it had large stocks of machinery on hand, and this commodity is notoriously difficult to dispose of when demand weakens. This condition is referred to in the report of the president who states that "while we were well aware of what was happening, it was absolutely impossible for us to liquidate our inventories during a period of such little demand."

There is not much hope held out in the report for the immediate future. It is proposed to continue the shut-down of the Toronto plant, which has been closed during the past year, and in no other department to carry on any manufacturing that cannot be done at a profit. The company is to a great extent dependent on agricultural conditions for the sale of machinery, and also on the demand for equipment in factories and pulp and paper mills, and it is declared that it will be some time before present requirements in these are utilized to the full and new equipment thus rendered necessary.

Where Losses Were Made

Operating loss, branches and Toronto factory	$ 432.337
Inventory adjustment and extraordinary write-off on accounts	790.958
Development accounts written off .., ...	85.185
Absorption of deficit E. & T. Fairbanks & Co., Ltd.........	116.573
Total	$1.425 055

Working Capital Account

Current Assets	1921	1920
Investments	42.010	190.055
Inventories	2.359.579	3.880.484
Accts. rec.	1.637.204	2.912.553
Emp. stock acct.	113.424	158.485
Cash	81.183	78.379
	$4,233.400	$7.219.056
Current Liab.	**1921**	**1920**
Bank loans	975.000	1.550.000
Accts. and bills pay..	744.141	1.696.594
Commissions	165.354	229.793
Pref. div.	45.000	45.000
	$1,929.495	$3.522.387
Balance, net work cap.	$1.303.905	$3.697.569

HERRICK GOLD MINES

Representatives of a large American mining development corporation will inspect the Herrick mine in Northern Ontario as soon as dewatering, now going on, is completed, and it is likely that arrangements will be completed by the management of the mine to have this company develop the properties. When $2,000,000 of ore is blocked out the proposal is that a new company should be formed for the actual work of production, the stock to be held by the present Herrick company and the operating corporation. This obviates the necessity of raising further capital in Canada.

MORE MONEY IS PUT IN "STEEL" BY CANADIANS

Trend of Canadian Foreign Investments is Thereby Indicated

As a first and significant indication of surplus investment and speculative funds in Canada are the current figures of the United States Steel Corporation showing an increased Canadian investment in the great steel enterprises in the initial quarter of 1922. Important, too, is the fact that for the first time Canadian holdings of United Steel stock are the second most important foreign holdings in this outstanding industrial. Hitherto Holland held second place only to England but now, consequent upon a liquidation of Dutch holdings of the preferred shares, Canadians assume second rank as foreign holders, with a total investment of $6,008,600 (par value).

Though Canadian holdings of the securities of the United States Steel Corporation—the one important barometer of Canadian investment abroad—gained in the first three months of the year the aggregate still represents a $3,154,700 (par value) liquidation since the peak point of Canadian investment in this foreign industrial was reached immediately prior to the end of the Great War. Then the Canadian investment stood at $9,160,300 (par value). In 1921 the Canadian withdrawal approximated $387,000. At the commencement of 1921 Canadians held 30,885 common shares and 29,136 preferred shares, a combined total of 60,021, compared with 31,022 common and 29,064 preferred, a total of 60,086 on April 1 last.

The four leading foreign holders of the securities are: England with a total of 221,205; Canada, 60,086; Holland, 59,975; France, 30,893.

These figures have come to be regarded as the most reliable indication of the trend of Canadians' foreign investments. Operators upon the Canadian Stock Exchange have always been partial to the United States Steel stocks as an international nest egg. Our foreign investments obviously have never been extensive for the good reason that as a young and growing nation Canada has had need of all available capital for her own development. However, a certain amount of funds has from time to time found its way abroad. In the United States Canadian investors have placed capital in several well known public utilities—Detroit United, Duluth-Superior, Twin City Traction and some lesser industrials.

The exchange situation of the past two years has militated against the placing of Canadian capital abroad, a fact that has of course had a favorable re-action within the Dominion. On the other hand the premium on New York funds has given an added incentive to the withdrawal of Canadian holdings of American securities, and the return of the previously employed capital to Canada since the armistice. There has been a gradual reduction until July 1 last, the Canadian investment in United States had declined to $5,980,000 (par value)—the lowest level since before the war. The present increase may reasonably be traced to the strengthened position of the Canadian dollar abroad which permits greater latitude in fresh speculative commitments.

An interesting analysis of the fluctuations in Canadian holdings of United States Steel Corporation securities is possible from the following comparative statistics:

June 1914	43,129	35,794	78,923
Dec. 1914	54,259	34,673	88,932
Dec. 1915	38,011	35,455	74,646
June 1916	32,842	35,169	68,011
Dec. 1916	31,662	35,876	67,538
Mar. 1917	33,777	35,962	69,739
June 1917	36,064	34,891	70,955
Sep. 1917	33,980	35,685	69,665
Dec. 1917	41,639	35,201	76,840
Mar. 1918	43,310	36,420	79,730
June 1918	46,179	42,296	88,475
Sep. 1918	50,087	41,087	91,603
Dec. 1918	45,613	42,073	87,686
Dec. 1919	35,686	36,830	72,516
Mar. 1920	32,115	33,768	65,683
June 1920	31,615	33,998	65,613
Dec. 1920	31,311	32,580	63,891
Mar. 1921	30,505	31,618	62,123
June 1921	30,580	29,300	59,880
Sep. 1921	30,690	29,341	60,031
Dec. 1921	30,885	29,136	60,021
Mar. 1922	31,022	29,064	60,086

DETROIT HANDS OVER LINES

City Will Take Possession of Civic Section on Sunday

MONTREAL.—The Detroit United Railway will hand over to the City of Detroit its entire city system at midnight on Sunday next. For this according to the vote of the ratepayers on April 17, the company will receive $19,850,000. A different spirit now seems to pervade the relations between the company and the city. Elliott G. Stevenson, acting president of the company and counsel for a number of years, in a statement declared that the Detroit United would be ready to assist the city in every way. As a result of the uncertainty as to a dividend policy the stock has been quiet on the market for some time past.

OLD CHUM

Canada's Favorite Pipe Tobacco

The Tobacco of Quality

In tins and packets

Majestic Power

Swift flowing rivers and tumbling streams; these are the real essence of the future expansion in the mining industry of Northern Ontario.

Here is majestic power, unharnessed, awaiting the conjuring touch of capital and labor to transform them into mighty factors for the development and progress of the country.

The growth of the mining industry is greatly retarded owing to the inadequate supply of electrical energy available. This situation can be remedied by the immediate development of water powers, which can only be made possible by the close co-operation of Government and capital in conjunction with the future users of power.

THE MATACHEWAN CAMP, a gold area of unusual promise judging from the reports of expert engineers and Government geologists, is in urgent need of power in order that development on a large scale can proceed without delay. RECENT ANNOUNCEMENTS STATE THAT THE NECESSARY POWER WILL BE FORTHCOMING VERY SHORTLY.

Work for thousands can be thus provided, as well as the profitable employment of idle capital in the opening up of the natural resources of the country.

F. C. Sutherland & Co., Limited

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4 and 5 King Edward Hotel Building

Toronto - - Ontario

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"SEA SLED" MAKING AT VICKERS PLANT

New Type of Motor Boat to be Made in Canada—Offering of Stock

From Our Own Correspondent.

MONTREAL.—The announcement is made that Canadian Vickers, which has the largest shipbuilding plant in Canada, situated at Maisonneuve, have taken over the agency for Canada to manufacture and sell what are known as "sea sleds," paying a royalty to the Sea Sled Co. The Vickers Company came to this conclusion after a thorough investigation as to the merits of this patented shape of hull, what is sometimes caled the "inverted V" type. Canadian Vickers, it is understood, have taken a substantial interest in the Company and A. R. Gillham, vice-president of Vickers, has been appointed to the Board of the Sea Sled Co. It was Mr. Gillham who went into the question with the English Board in a recent visit there. The Sea Sled Co. is a purely Canadian one but owns the patent rights for the United States as well as Canada and has been manufacturing for some time at Mystic, Connecticut. where the plant has been working to capacity. Some of the boats have readily attained a speed of 45 to 55 miles an hour. The Vickers plant is engaged now in building a $20,000 demonstration boat, 38 ft long with a capacity for 25 passengers, which it is expected will run from 40 to 45 miles an hour, making the run from Montreal to Quebec in about 5 hours. A suggestion has been made that the boat run up the Lachine Rapids which would constitute one of the most thrilling tests for any product that has yet been invented.

Early in the present year an issue of $1,000,000 of common stock of the Sea Sled Co. was offered at a price of $20 per share on a basis of a par value of $25 a share. It is understood that a small balance of this stock will be offered within a few days.

COMPENSATION BURDENS

EDMONTON.—A thousand dollars a day in compensation for accidents and half as much more for medical fees is being paid out under the Alberta Workmen's Compensation Act. Notwithstanding the common supposition that this province is almost wholly a farming country, with its industrial life only slightly developed, the figures of the Compensation board show that there is a payroll in the Alberta industries of around $60,000,000 per year, not including, at that, the agricultural workers nor store and office hands.

About 50,000 workmen come within scope of the act, and 2,300 employers are paying assessments. Last year 7,069 accidents were reported in the various industries represented, from which resulted a compensation and medical attendance bill for the year of more than half a million dollars.

EXPORTS OF PAPER AND PULP INCREASE

Greater in Volume for March Although Lower in Dollar Value

MONTREAL.—While exports from Canada of pulp and paper for the month of March show a decline in value of nearly $2,000,000 as compared with March, 1921, the most important point, the volume of exports, shows a considerable gain. In the case of newsprint paper the exports amounted to 95,195 tons which shows an increase from 75,273 tons in March, 1921.

In the case of pulp the exports have doubled, the total being 58,771 tons for March of this year as against 29,464 tons for March, 1921. This has resulted in an increase in the value of the export of pulp over last year in spite of the decrease in prices.

It is possible now to estimate the total exports for the fiscal year ending March 31, 1922, which show a value of pulp and paper of $105,458,295 as against $163,655,344 for the year ending March 31, 1921. It must be remembered, however, that the prices both of pulp and of newsprint were very much higher in the previous year than during the past year. Even so, the exports for the fiscal year of 1922 run nearly $1,000,000 ahead of those for the fiscal year 1920.

Reports from the United States continue to show increased newspaper advertising and this, of course, is a certain indication of an increase in consumption. The total newspaper advertising in Greater New York during March 1922, was 5 per cent. more than in March, 1921, and only 2 per cent. less than in March, 1920, the latter being the largest on record. The total number of pages printed, including advertising and reading, in March, 1922, exceeded March, 1921, by 12 per cent.

GOODYEAR'S PROGRESS CONTINUES STEADILY

Increased Profits for Past Six Month Period—Liabilities Reduced

In the semi-annual report for the half year ending March 31, last, of the Goodyear Tire & Rubber Company of Canada, a material improvement is in liquidating liabilities. In spite of the feature of which is the progress made in liquidating liabilites. In spite of the dull season in the rubber business during the winter months, a net profit of $251,294 was earned in the half year, and before arriving at this amount there was set aside $204,388 for depreciation of plants, on the basis of market prices.

C. H. Carlisle, vice-president and general manager, in commenting on the improvement in industrial conditions said:

"The experience of the company is that the bulk of the profits are earned during the six months commencing April first and ending September thirtieth. Your directors have reason to believe that the net profits for the half year on which we have entered, will be materially greater than they have been for the past six months, and this is borne out by the business now offering."

Mr. Carlisle pointed out that current assets amount to $6,340,507, as against current liabilities amounting to only $738,919. In comparing this with the previous balance, it is shown that current liabilities have been reduced to the extent of $962,916 and the net current assets have been increased by $324,993.

The balance sheet shows a slight reduction in the value of assets from $14,193,804 to $13,525,771. Real estate plant and equipment are valued at $7,155,786, as against $7,111,109. Inventories are placed at $2,953,549 as compared with $2,985,137. Raw materials on hand are down from $1,804,109 to $1,418,528. The capital stock outstanding amounts to $8,157,800 as compared with $7,859,200, the increase resulting from larger amount of 6 per cent. cumulative preference stock outstanding. Depreciation reserve now stands at $1,085,850, as against $881,522 and the reserve for contingencies at $1,687,936 against $2,003,407. Surplus account at $552,183 compares with $300,888.

Wright Hargreaves now ranks fourth among Northern Ontario gold mines in production, following the Hollinger, McIntyre and Dome and leading the Lake Shore. Production is said to be well over $50,000 a month now.

MONEY, BANKING AND EXCHANGE

BANKERS BEING TRAINED ALONG MODERN LINES

Regular Courses and Lecture Clubs Are Popular

The examinations in the Associates' and Fellows' banking courses of the Canadian Bankers' Association have been set for the second week of June, from the 11th to the 17th of the month and candidates will be writing at various examination centres across Canada. The increasing interest in these banking courses is evidenced by the fact that there are to-day 653 graduates in the two banking courses, and that a very considerable number will endeavor to qualify for their diplomas at next month's test.

The passing year has witnessed in Canada as elsewhere a growing realization of the necessity for providing for bank officers complete opportunities of systematic study. Existing courses were extended and new experiments tried out.

The banking courses were instituted in the summer of 1914 by the Canadian Bankers' Association in conjunction with Queen's University. The courses obviously were carried on under the handicap of abnormal conditions until the close of the war. Enlistments from banking staffs were so heavy and the pressure of war work on the depleted staffs so great that little time was left for private study. In spite of these handicaps no fewer than 538 diplomas were awarded in the 1914-1920 period. In addition a further 115 qualified in last year's examinations.

The courses in banking as originally organized have been revised in several material respects. The curriculum is now being varied with the reduction of the bookkeeping in the introductory or Associates' Courses, greater emphasis upon credits and foreign exchange in the advanced or Fellows' banking practice course and the addition of optional courses in general subjects, particularly history, English literature and French for the advanced men. A Field Secretary now visits the majority of the towns in the central provinces to consult those enrolled as to their problems.

Lecture Clubs Popular

In the cities the lecture club as an educational means has been developed. The emphasis however will it is understood continue to be laid upon the instruction by correspondence as experience has demonstrated that this is the only way in a country so sparsely and widely settled as Canada and with constant staff migration that the advantages of continued study under a fexible and comprehensive scheme may be shared by the majority of bank officers.

During the past season both in Montreal and Toronto the Bankers' Educational Association have made remarkable progress and in Winnipeg for the first time a Lecture Club for bank officers was started well on its way. In these centres a series of lectures on topics of technical and cultural interest have been given, and as well in Toronto tutorial classes were held in important fields, economic geography, and commercial development; international trade; Canadian history and government; company and commercial law; the finance of industry and English literature. In Montreal a new development was effected in an arrangement between the Montreal Bankers' Association and McGill University, and lectures were delivered to the banker students.

MONTREAL

T. E. Butler Yeats, manager of the Stirling branch of the Bank of Montreal, has been appointed manager of the branch at Port Hope.

G. A. C. Weir, one of the assistant managers of the Bank of Montreal at Winnipeg, has been appointed manager of the branch of the bank at Spokane, Wash.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES	May 4, 1922	Change	%
Montreal	$121,666,787—	$14,844,950	10.8
Toronto	118,581,560+	16,173,984	15.7
Ottawa	11,576,970+	43,056	.3
Quebec	6,987,807+	1,445,323	26.0
Hamilton	6,358,309—	814,542	11.3
London	3,506,274—	516,090	12.8
Windsor	3,321,210—	119,585	34.7
Halifax	2,959,921—	770,690	20.3
St. John	2,904,939—	627,267	17.7
Kitchener	1,081,285—	155,881	12.6
Moncton	1,080,072—	65,199	5.6
Brantford	1,002,361—	494,494	33.0
Sherbrooke	998,158—	167,103	14.3
Peterboro	779,586—	68,099	8.0
Total East	$282,805,239—	$981,537	.3
Kingston	751,247—	....	...

WESTERN CITIES	May 4, 1922	Change	%
Winnipeg	$ 26,016,512—	$25,738,371	49.7
Vancouver	13,454,808—	1,781,629	11.6
Calgary	5,291,880—	1,802,383	25.4
Edmonton	5,019,173—	719,422	12.5
Regina	3,501,051—	425,130	10.8
Victoria	1,883,871—	646,371	25.5
Saskatoon	1,779,818+	145,638	8.9
Moose Jaw	1,445,932+	156,498	12.1
Ft. William	881,969—	24,514	2.7
Lethbridge	757,081+	11,680	1.5
N. W'minster	728,586+	33,923	4.7
Brandon	659,318—	85,095	11.4
Pr. Albert	387,969—	9,943	2.5
Med. Hat	301,588—	125,927	29.4
Total West	$62,109,556—	$31,012,046	34.3
Grand total	$344,914,795—	$31,993,583	8.4
Yr. to date	$4,107,101,167—	$420,012,160	9.3

VALUE OF THE MARK

Price Slumps When Gullible Buyers Are Exhausted

Exhaustion of speculative gullibility abroad as well as inflation at home explains the mark's low value and make an important rise impossible, head of research bureau at the Bank of France tells Paris Society of Political Economy. Herald Berlin copyright quotes O. T. Crosby, former assistant secretary U. S. Treasury, as saying it is unique in history that a country such as Germany should find so large a market for currency uncovered, unlimited and virtually worthless; large foreign loans can have no sufficient basis of security while 200,000,000,000 paper marks are held by foreigners who could upset any rise in the mark by beginning to cash in their notes. "Reduced credits which German banks accord industry are first indication of day of reckoning ahead."

COUNTERFEIT WAGES ARE RULE TO-DAY

What is Paid Must Be Considered in Relation to Buying Power

Wages that are large in terms of dollars, but small in power to purchase the thing a workingman needs are counterfeit. Wages may double, but if prices increase still more, the wages are counterfeit. Causes are many. Among them are profiteering in the necessaries of life, raising the cost of homes and rents, increased street car, gas or electric service, tariff that cripples foreign customers, and expensive government. Limitation of output by labor unions, resulting in fewer and higher cost products is a method by which the workingmen themselves turn their own dollars and those of other wage earners into shams. Whether unwittingly or not, said Edward A. Filene, director of International Chamber of Commerce, before the New York Economic Club, employers and employees are often wage counterfeiters.

Counterfeit wages, he said, beget discontent and strikes. The return for paying genuine wages more than makes up to employer and to society for the extra money expenditure. The genuine wage tends to make happy, healthy, loyal employees. Much of the responsibility for the adequacy of wages must be assumed by employers.

Employers should fight all excessive capitalization whose fixed charges help to turn into counterfeit the otherwise adequate wages we pay our employees. Men of finance should see that the English law is adopted and enforced that requires a statement to be made to every purchaser of stock, showing the promoter's profit and the real assets and liabilities of the company. It is up to us to help to provide credit unions or other safe and democratic means of saving and investing earnings. The training of the wage earner in the use of his money, so that by purchasing merchandise of good quality at the lowest possible price, he will help to keep his wages real, is our responsibility to a degree. Our responsibility is at least equal to that of our employees to see to it that they are not compelled to pay a street car fare of 10 cents to get to and from our places of business, when wise administration of public service corporations might make 5 or 7 cents adequate.

THE OKANAGAN CROP

Will Not Be So Heavy as in The Year 1921

From Our Own Correspondent

VICTORIA.—Production in the Okanagan Valley's orchards may not be as heavy this year as in 1921, but it will constitute a fair average crop and will probably be about 80 per cent. of last year's according to estimates just completed by experts.

The Penticton Herald, which has made a thorough canvass of the whole valley regarding the season's prospects, states:

"The fact that this spring is late, is thought to be an advantage rather than a drawback as the trees are now coming along rapidly. Apricots will be in blossom generally within the next few days, some orchardists reporting their trees already in bloom. The snowfall in the mountains during the past winter is stated to be unusually heavy and the continued cool nights will, it is believed, tend to conserve this in the hills, with the result that there will be a good supply of water during the whole season.

"A better quality average is also looked for this year. Pruning has been carefully carried out and practically all growers have given their trees a thorough winter spraying. They also intend to carry out more summer spraying than has been done in the past. The question of thinning is being given more consideration this year and most orchardists now realize there is nothing to be lost and much to be gained from going over their trees very thoroughly in this respect. These things, it is held, cannot fail to raise both the quality and yield."

Berlin says German Red Cross report puts American contributions to German relief during last two years at more than $25,000,000.

STERLING MOVING STEADILY TOWARD PAR OF EXCHANGE

Highest Point on Recovery at 4.45 — Canadian Funds Unchanged

The Genoa Conference is still the dominant influence in the European exchange markets. While the majority of the continental rates have been materially influenced by the day-to-day happenings, sterling is one exception. During the past week in the face of the most unfavourable news, sterling has reached and passed through $4.45, which marks the high point of its recovery to date. Even on May 6, when the most serious crisis of the conference was reached between France and Great Britain, sterling weakened to only a slight degree while francs broke sharply.

In reviewing the course of sterling during the past three years a wonderful recovery is indicated. In May, 1916, after the government had been supporting the market for some few months, the rate was pegged at $4.76 7-16, where it remained until March, 1919 when the peg was removed. For the next few months the rate moved steadily downward until on December 12, 1919 it was quoted at $3.66. On February 4, of the next year it had still further declined to $3.19 but by April 5, it had moved up to $4.07 ¼. In 1921 the lowest rate was reached on January 3, at $3.47⅞. By December 12 it had touched $4.20-⅝ and from then on through the current year, with only minor reactions, it has steadily moved forward to its present position. The Chancellor of the Exchequer in a recent speech predicted that sterling in the near future would move up to par. However, the majority of London bankers are not so optimistic and point out that during the next few months is the season when Europe does the largest part of her buying in American markets. Since the beginning of the Conference at Genoa, bankers have become absolutely noncommittal as to the future course of sterling.

During the past week Canadian funds have remained practically unchanged at about 1½ per cent. discount. Probably the opening of navigation, with the resulting movement of grain to American markets, has kept the rate low. Then again the publication of the import and export tables for the fiscal year ending March 31, shows a very decided improvement in our trade balance over that of the past two years. At the present time our exports and imports are practically balanced.

STERLING AND FRANCS

	Dem.	Cables	Dem.	Cables
May	$4.43⅞	$4.44⅝	10.94	10.96
May 5	4.44⅝	4.45⅜	10.91	10.93
May 6	4.44¼	4.45		
May 8	4.43⅜	4.44⅛	11.02	11.04
May 9	4.44⅛	4.43⅞	10.98	11.00
May 10	4.44⅜	4.45⅛	10.91	10.93

NEW YORK FUNDS

May 4.—Opened at 1 23-32, reacted to 1 11-16, closing at 1 23-32.

May 5.—After opening at 1⅝, reacted and lost 1-16 for the day.

May 6.—Little change, closing at 1 17-32, net loss 3-32.

May 8.—Funds practically stationary at 1 9-16.

May 9.—Opened weaker at 1⅝ and eased further to 1 11-32.

May 10—Moved to a high of 1 11-32, closing at 1⅜.

THE NEW STEEL MERGER

Tentative Prices As Basis For The Big Combine

Tentative relative valuations for stocks of the seven steel companies included in the proposed seven-company merger, have been agreed upon. Street gossip places these valuations at various figures, but those most frequently heard are $75 for Republic, $70 to $75 for Inland, $65 for Lackawanna, $40 for Midvale, $20 for Brier Hill and $75 for Youngstown Sheet & Tube. Other reports say that if the merger is consummated Lackawanna will enter the combine at a higher figure than Republic, based on company's better capital structure, having no preferred stock, and stronger current cash position.

New stock to be issued in exchange for securities of the combining companies would run into large figures as to number of shares. As agreed at present, assuming the combination is formed, the new stock will be of no par value but will be brought out at between $55 and $65 a share.

STERLING

A. H. Nixon, manager of the Port Stanley branch of the Sterling Bank, has been transferred to Waterford.

ROYAL

The Royal Bank announces the following staff changes: H. T. Medlar, manager of King and Wellington Streets, Sherbrooke, branch, transferred to Westmount; J. H. Hunt, of Halifax, transferred to Sherbrooke; S. A. Duke, manager of Wellington Street, Sherbrooke, branch, has resigned from the bank; H. B. Wilson, formerly inspector for Ontario branches, appointed to succeed Mr. Duke.

OPTIMISM IS THE NOTE OF REPORTS FROM PRAIRIES

(Continued from page 1)

Amazing to relate, splendid returns are being secured from this spring threshing, the grain grading No. 3 and No. 4 Northern and being hard, dry and suitable for milling.

The gain is of incalculable value at this time. Farmers who considered they had suffered staggering financial losses, find that with cheaper labor and higher prevailing prices for wheat, that this salvaging process is really profitable—and they had to clear the land for seeding again anyhow.

The farm labor situation in Saskatchewan presents many curious aspects. Thousands of men are required, yet the cities are full of unemployed. The wage scale agreed upon for the year is the principal bone of contention between the farm hands and those willing to employ them. Thirty-five dollars monthly was the scale agreed upon early in the year and this is being rigidly adhered to; it is little higher than the 1914 rate and the men say it is not enough.

A scrutiny of the Board of Trade figures just compiled here indicates that perhaps there is some justice in the contention of the men. Living costs in Regina are shown 74 per cent. above 1914 and rents are still 61 per cent. over the pre-war level.

To meet the labor shortage, the Saskatchewan government proposes bringing a number of experienced agricultural workers from Holland, a proceeding which is being criticized in some quarters, particularly among the labor element and the returned-soldiers' organizations.

Regina wholesalers report a near boom in sales. This is accounted for by the fact that retailers have bought very sparingly in the past few years and are now finding themselves with greatly depleted stocks. The trend of dairy products, of eggs and poultry, appears to be showing signs of climbing.

April building figures continue to indicate a revival of building of homes in some Eastern cities. A few institutions are also being erected, but labor costs are still evidently too high to encourage the erection of industrial plants or business buildings with trade revival still largely a hope. At the same time there are now indications that building materials are not likely to come down much, if any, lower.

Business generally is much the same. There is more confidence but little actual improvement in most lines as yet. Crop reports and the trend of the stock markets indicate better things to come but until the crop is harvested no great expansion can be anticipated although in the meantime confidence in the future should tend to loosen the hold on reserves.

Issue of additional $3,000,000, making a total new issue of

$5,000,000
The Bell Telephone Company of Canada
Capital Stock

8% Dividends have been paid on the Capital Stock without interruption for 36 years

Dividends from April 1, 1922, payable quarterly on 15th January, April, July and October by cheque payable at par at any branch of the Bank of Montreal in Canada. Shares of $100 par value each, ranking equally in all respects with the outstanding stock. Registered certificates in any multiple of $100.

Transfer Agents:—The Royal Trust Company, Montreal and Toronto.

Dividends Free from Normal Income Tax.
Stock listed on the Montreal and Toronto Exchanges.

CAPITALIZATION

Common Shares (including this issue)	$31,819,000
5% Bonds due April 1, 1925	11,250,000
7% Bonds due April 1, 1925	5,500,000

The authorized Share Capital is $75,000,000

This advertisement appears as a matter of record only, the entire issue having been sold.

Greenshields & Company **Æmilius Jarvis & Co.** LIMITED
Royal Securities Corporation LIMITED

Why You Should Buy Municipal Bankers Bonds

From time immemorial selected mortgages on improved real estate have been considered the safest investments.

In Municipal Bankers Bonds you have all the inherent strength of carefully selected mortgages on improved residential real estate, with the additional advantages of

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—complete freedom from care, responsibility or management

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GORDON and WALLS
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Fill in the Coupon and receive a free copy of "Dollar for Dollar," which answers your questions about Municipal Bankers' Bonds.

MESSRS. GORDON AND WALLS,
35 Victoria Street, Toronto:

Send me a copy of "Dollar for Dollar," describing Municipal Bankers' Bonds.

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Address ....
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F.P.

To Help You Choose Wisely

Our recommendation of stocks listed on the Toronto Stock Exchange, yielding from 7% to 9%, is contained in a special market letter which we will gladly mail on request to anyone interested.

If you have funds to invest, this analytical letter will assist you in making a judicious selection.

Write for a copy to-day.

Graham, Sanson & Co. Limited
INVESTMENT BANKERS
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CLASSIFIED

Old-established firm desires General Hail Agency for Northern Saskatchewan. Having an exceptionally wide organization already established, a large volume of business can be immediately realized. This is a very unusual opportunity. P.O. Box 1104, Saskatoon.

Public Utility Bonds Yielding over 7%

We own and offer some exceedingly desirable Public Utility Bonds which may be purchased in $500 and $1,000 denominations to yield between 7% and 7½%.

In view of the advancing market, we recommend you to write immediately for full particulars.

Stewart, McNair, Reid, & Co.,
Members Toronto Stock Exchange
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First Mortgage Bonds

With a bonus in common stock

Such an investment opportunity will be offered by us shortly redeemable and convertible sinking fund first mortgage gold bonds. The debentures are first lien on land, mills, machineries, patents of a large corporation being organized in Montreal, the direction of which is composed of men of outstanding prominence in the various spheres of business and finance.

The debentures will carry a substantial bonus in common stock.

Write for particulars.

Credit Canada Limitee
145 St. James St. - Montreal

"Trustee Investments"
TO YIELD 5.25% TO 6.50%
Write for latest list
G. A. STIMSON & Company Limited
BOND DEALERS
Established 1883
36-38 King St. East, TORONTO
Bonds may be purchased on our Partial Payment Plan

Whalen Pulp & Paper Mills, Limited

Interest on 6 per cent. Serial Mortgage Gold Bonds due and payable 1st May 1922, together with $210,000 of principal of said bonds maturing 1st May 1922, due at the offices of Merchants Bank of Canada at Montreal and New York, or at the office of Northern Trust Company, Chicago, will be paid on presentation of coupons and bonds at the offices of Bank of Nova Scotia at Montreal, Toronto, New York and Chicago.

Cheques for interest on 7 per cent. Redeemable Debenture Stock due 1st May 1922 have been mailed to registered holders.

W. L. REED,
1st May, 1922. Assistant Secretary.

THE EVOLUTION OF CAPITAL

Capital and Labor are two fundamental factors in production, and each factor is most efficient when combined with the other. The primitive man had little or no capital to work with and practically his entire efforts were spent in providing a bare subsistence; he lived from day to day with little provision for the future. The gradual process of saving and capital accumulation has resulted in the manifold increase in per capita production and the higher standard of living which prevails to-day. The simple fact is that under capitalistic production the man-power of the nation has increased in efficiency until it is no longer necessary for the whole population to be engaged in producing food, clothing, and other actual necessities of life. A part of our productive power is directed toward building roads, schools, art galleries, or developing and perfecting further instruments of production. It is a cumulative process.—Secretary Andrew W. Mellon in the World's Work.

Cargo of British coal reported to be coming to New York as test of possibilities of American market. Offer of 2,000 tons will be made at about $1 less than Virginia coal.

NEWS AND VIEWS FOR MANAGERS

PENSION FUND OF MERCHANTS BANK WORRYING STAFF

Rule of Refund of Full Amount Paid In; but not In Montreal Bank

From Our Own Correspondent

MONTREAL.—Some hard feeling seems to have developed among a good many of the staff of the Merchants Bank towards the president in connection with the conditions of the merger. One of the points that has incurred criticism has been the feeling in regard to the taking over of the staff of the Merchants Bank, as they felt had been the custom on previous occasions. The latest cause of complaint, however, has arisen in connection with the Pension Fund.

In the case of the Merchants Bank the staff paid in 4 per cent. of their salaries, a rate that is common to most banks. This went into a central fund, but the bank itself up to the end of its existence, maintained the payment to those who were on the pension list. This was done in order that the payment of the staff, and also regular payments of about $50,000 a year from the bank's funds, might go to built up a good reserve in this fund before payments out of it on regular account to retiring members of the staff should begin. One of the conditions under which payments were made by the staff was that when they resigned or retired from the service of the bank—not on pension—they should be able to withdraw in full the amount they had paid in out of their salaries. This arrangement does not hold in the case of the Bank of Montreal and a good many other banks where only a portion ranging usually from one-half to one-third is refunded to a member of the staff when he retires from the bank without a pension. A number of the staff men of the Merchants now are worrying at the idea that if a number of branches are closed, as seems certain to be the case, and they themselves may not be kept on the staff, they may receive only a portion of the amount paid in instead of, as they had expected right along for years past, the full amount to their credit.

From the point of view of the Bank of Montreal it is understood that no definite decision has been reached in regard to the handling of the Pension Fund of the Merchants Bank. It is recognized that it would be an anomaly for employees of the Merchants Bank coming into the service of the Bank of Montreal to go on receiving the full amount that had been paid into the Pension Fund while the men of the Bank of Montreal staff would receive only a portion. Then comes up the question of a contribution from the Bank of Montreal to this fund that would be necesary to maintain it on an actuarial basis. Then a difficult question might come up as to whether the salaries of the Bank of Montreal have been on the same basis as those of the Merchants Bank for positions of similar importance, and so on. The whole question is one of those difficult points that have resulted from the amalgamation of the two banks. The only point that seems to be agreed on all sides is that it would be advisable for no distinction to be perpetuated as between the new men coming in and the older men of the Bank of Montreal.

Policy Defended

A bank official who is not connected with either bank, in discussing these points with THE FINANCIAL POST, defended the policy of the majority of the banks in not refunding the full amount that had been paid in by the clerks. He held that in the first place the bank was assuming a considerable risk for each employee that was not borne by the regular payment into the pension fund, particularly in the earlier years. If a man after paying in for five or ten years was incapacitated from duty it would be the duty of the bank to pay him a pension long before he had earned it in the ordinary way. Then if he died suddenly his widow or his family would be paid a pension. These were obligations altogether apart and not covered by the payments made by members of the staff from year to year.

It is recognized that none of the funds is self sustaining, and some of the banks contribute as high as one hundred or one hundred and fifty thousand dollars a year to the pension fund. In most cases, however, the funds are on such a basis now that regular payments are made out to pensionnaires. This official took the ground that even a partial payment to the staff of the Merchants must be considered as so much saved out of the misfortune of that bank.

2 Per Cent. For Each Year

In connection with the pension fund it is usually a rule that payments do not start nor are the advantages of the fund conferred on any member of the staff until he is 21 years of age. Then there is a provision by which ordinarily no pension can be given until ten years at least have been spent in the service of the bank. A common rule is that the amount of the pension is based on two per cent. for every year, that is 20 per cent. of the salary on retirement for one who has been in the service for ten years; 30 per cent. for 15 years; 40 per cent. for 20 years; 50 per cent. for 25 years, and 60 per cent. for 30 years. In some cases the amount of pension is set at $5,000 as the highest limit. In the case of salaries, $7,000 is set as the maximum of a salary on which a pension fund payment is made. Some provision like this is necessary, of course, when the amount of pension is limited. All those receiving a salary of over $7,000 pay only $280 a year, that is on a basis of $7,000. On the other hand no one can receive more than $5,000 as his yearly pension on retirement no matter whether, on the basis of years of service, he would be, strictly speaking, entitled to more.

BANKERS CAN SEE BETTER CONDITIONS

Surplus of Goods Held by Retailer and Consumer Greatly Reduced

Economic Policy Commission of the American Bankers' Association in its report declared that it "disapproves and condemns without any reservation unwarranted attacks that have been made inside and outside of Congress on members of Federal Reserve Board individually and upon the board as a whole."

An economic survey made by the commission indicates that sales are increasing, production stimulated and surplus of goods held by consumers greatly reduced.

"Liquidation," says the report, "has been completed in nearly all lines of activity throughout the country."

Cost of labor has been reduced but not enough. Taxation should be lowered; transportation rates are too high.

"There can be no final adjustment of the financial difficulties confronting the nation," says the report, "until railway wages are lowered and transportation costs reduced."

The report opposes the soldiers' bonus bill, but takes the position that if such a law should be enacted it should provide the means for paying the bonus through a sales tax, as recommended by President Harding.

Constitutional amendment was demanded which would permit taxation of securities issued by states, municipalities and other political subdivisions.

Touching upon the tariff problem, the commission declared that a tariff must not be framed that will restrict imports to such an extent that it will at the same time endanger our export trade. Report pointed out that if an unduly high tariff were adopted it would prove impossible to prevent a flood of new immigrants, and that if we exclude both European goods and European labor we shall inevitably break down the whole economic system of the world.

Ontario Saving Offices Opened Now Total Six

A sixth branch of the Ontario Government Savings Offices has been opened, the newest addition to the list being at Owen Sound. Capt. H. Butchart, a local man, who has operated a retail store in that city for many years and who prior to that had considerable banking experience, has been appointed as manager.

Branches are now in operation at Toronto, St. Mary's, Aylmer, Woodstock, St. Catharines and Owen Sound. Morley E. Mackenzie, director of the offices, states that the total deposits at the present time is 75 per cent. over the quota set for this period when the scheme was inaugurated. A considerable business in banking by mail has been built up, Northern Ontario points particularly furnishing substantial deposits for the Toronto office. Branches will shortly be opened at Brantford and Hamilton.

LOSSES ON CHECKS

Yearly Levy By Manipulation Is Heavy

Forgers and check manipulators exact a toll of about $35,000,000 a year in the United States, according to Burgess Smith, former inspector in Bureau of Engraving. With checks and drafts approximating $400,000,000,000 passing through clearing houses, he says in American Industries, careless use of credit instruments makes it worth while for forgers to organize gangs of mail thieves, presenters, lawyers, etc. Losses are increasing $1,000,000 yearly compared with total annual loss of $1,000,000 thirty years ago.

Protective measures recommended include the use of special ink and paper, keeping blank checks under lock and key and obtaining insurance such as makers of safety devices offer at nominal cost.

WHEN INSURANCE POLICY IS MADE PAYABLE TO BANK

Some Points Which Manager and Customer Should Understand

By A. B. BARKER,
Manager Toronto Clearing House.

Regarding fire insurance policies payable to a bank, there is a certain amount of misapprehension on the part of both customer and manager. Some consider them security and treat them as such. They are not a security in the ordinary sense for the reason that there is no cash surrender value. They are, however, a very valuable protection against loss in case of fire and must be rated accordingly.

In order that this protection shall really protect there are certain points which must be noted. The following information must be accurate: The name of the assured; a description of his interest—that is owner, trustee, bailee, etc.—the description of the property insured and the location of the property insured. If the construction of the building is stated this must be accurate. If the insurance is carried in more than one company a description of the property and the location must agree in the different policies.

If the property insured is subject to a mortgage or other lien this must be stated. Some companies insist that where the buildings insured are on leasehold ground it must be so stated in the policy.

In More Than One Company

If insured in more than one company the consent of each company to the concurrent insurance in the other company or companies must appear, unless the policy expressly waives this agreement. There are several clauses used by the companies to evidence the waiver in the policy, such as: "Further current insurance permitted without notice until required," or "Concurrent insurance may be increased or decreased without permission." Some such clause or permission to carry a stated total of insurance without naming companies should be secured, as where the name of each company and the amount it carries is inserted in the policy, it is frequently found that the endorsements permitting these are not kept up to date. Some companies object to giving these liberal clauses but under ordinary circumstances the matter can generally be satisfactorily arranged.

In the case of a manufacturing business or a grain elevator or the like, the policy should contain a clause giving permission to work overtime. Also to close down for a reasonable time when occasion requires or to make repairs, and for the storage and use of such materials as are required and which might otherwise be prohibited under statutory conditions.

The policy should also contain a lightning clause, which will always be given, but seldom unless asked for, and it should be noted that the clause is the standard one which will give the desired protection.

The Co-Insurance Clause

The effect of a co-insurance clause should be carefully considered. A reduction in the rate, varying with the circumstances, is given if the assured allows a co-insurance clause to be inserted in his policies. The effect of the clause is, that if insurance representing not less than a certain named percentage of value is not maintained, the assured would be a co-insurer for the amount of the deficit. Where such a clause is in the policy it is usually stipulated that the co-insurance clause will not be operative unless the loss be over a certain agreed-on amount.

Any assignments of the contract of insurance, that is of the policy itself, without the consent of the company, or made with such consent to a party who has not an insurable interest in the property insured, that is one who is not an owner or part owner of the property, or one who has not a mortgage or a lien thereon, would invalidate the insurance. The assignment of a possible loss is not an assignment of the insurance contract, and does not affect the policy, nor require, except for the purpose of preventing other assignments, notice to or consent of the insurance company, but to avoid misunderstandings the safest plan is to see that the consent of the insurance company is obtained in every case. When such an assignment is made it is better to have the clause read, "loss if any payable to the bank," without the addition of the words, "as its interest may appear." It simplifies matters in case of a fire loss.

The Bank's Position

One of the usual rules of a bank when it makes advances is that insurance shall be carried to the full insurable value of the property, whether the insurance is payable to the bank or not. The bank's object in asking that the policies shall be made payable to it is of course primarily selfish, in order that its own interests shall be protected against loss, but the practice has much to recommend it from the standpoint of protection to the customer. For one thing when the policies are held by the bank they will be much more carefully inspected than they would be by an average man who carries insurance and who depends on the agent to see that the details are in order. In the larger centres, where the insurance agents are trained in the details of the work, there is not the same danger as there is in the smaller places where many of the insurance agents are not so well equipped.

Reader Confidence is Essential to Financial Advertising.

"Reader Confidence"—two words that sum up briefly yet accurately the exact status a newspaper must have before it can be used successfully in a financial campaign.

"The Financial Prospect" is peculiarly susceptible to the quality of the medium used to tell him of the bond or stock you have to sell; the financial standing of your bank, loan company or financial institution, the mercantile flotation you are going to make. If he has confidence in the paper in which a financial advertisement appears, half the battle in making a sale to him is accomplished.

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Ask any recognized Advertising Agency.

50,000 More Starving Russian Children

have been alloted to the Save the Children Fund workers in the famine area about Saratov, by the All-British Committee.

At present, the generosity of the Canadian people has enabled the Canadian Committee of the Save the Children Fund to provide sufficient food for 75,000 children in Russia, who would otherwise have died from starvation.

Now that the Russian Relief Fund (including the British Red Cross), the Friend's Relief Mission and the British and Canadian Save the Children Funds have been united under the direction of Sir Benjamin Robertson, more work is being undertaken and there is a corresponding increase in the demand for funds.

There is absolutely no hope that Russian children can be helped by Russia itself, until the harvest which comes at the end of August. So it is imperative that money and food continue to be sent through the Canadian and British Organizations right through the summer.

Will you give something?

25c. will feed a child for a week. $1. will ensure sufficient food for one child for a month. $500. will establish a kitchen in the famine district and feed 100 children until the next harvest.

Cheques and money orders may be forwarded through the local committee, your bank or sent direct to Sir George Burn, Treasurer, Save the Children Fund, Elgin Building, Ottawa.

All subscriptions are expended in Canada on Canadian Foodstuffs. 7

SAVE THE CHILDREN FUND
TORONTO SAVE THE CHILDREN COMMITTEE
C. D. Gordon, Hon. Treas.
Dominion Bank

Ottawa Power Co. Earnings Rising

From Our Own Correspondent

MONTREAL.—The earnings of the Ottawa Light, Heat and Power Co., for the month of March show that the improvement indicated in the figures for the first two months of the year have been continued, net being up 80 per cent. Interest has been earned nearly three times and the amount available for dividend payments is running around ten per cent. The common stock has shown a firmer tendency the past few weeks. The following are the comparative figures for the month of March, and the first quarter of the past two years:

	Month of March 1922	1921
Gross earnings . . .	$140,326	$132,939
Operating expenses .	94,347	100,788
Net earnings.	45,979	32,151
Less bond interest . .	16,020	15,479
Net surplus	$ 29,959	$ 16,672

	Year to Date 1922	1921
Gross earnings . . .	$415,135	$394,827
Operating expenses .	277,818	291,438
Net earnings . . .	137,316	103,389
Less bond interest .	47,372	46,398
Net surplus	$ 89,944	$ 56,991

THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 12, 1922

FOREIGN PROPAGANDA URGING SMALLER CROPS IN CANADA

THE MORNING Bulletin, Edmonton, reports propaganda in the West which is pointing out that farmers may not or should not put in as large crops as last year. "Fortunately," says the Bulletin, "there is little danger that their influence will be wide, for most farmers are solid on the principle that the way to get ahead is to produce, and keep on producing. The policy of loafing on the job has few sympathizers among the men on the land."

Recently when in these columns we showed that facts contradicted Colonel Mackie's story that his friends Lenine and Trotzky had repented and were now saintly Christians and had caused all propaganda urging disloyalty to cease. We showed that in February a letter signed by Lenine was received in this country urging more aggressive propaganda to stir up trouble between classes and particularly to spend money in propaganda work among farmers. The report from the Bulletin is practical evidence of this propaganda.

Part of the work of the Federal Police is to uncover the enemies who are spreading false information of this sort. The Soviet M. P., Rev. Mr. Woodsworth, wants the police put where they cannot protect citizens from foreign agents who are "boring" from inside the Labor and farm organizations.

THE HOUSING SCHEME A FAILURE

OF TWELVE houses erected two years ago at Brampton by the local Housing Commission not one has been sold; the low rentals are costing the town nearly $400 a year apart from the taxes which would be paid if they were privately owned.

At London houses erected by the local commission have been sold at a loss from $700 to $1,300 each and at present the city is in the hole to the extent of about $40,000; taxes of course would increase the net deficit.

At Walkerville it is declared that the town got "stung" and is now appealing to the Real Estate Board to sell the Housing Commission's houses when all other means have failed.

These are a few of the indications that government home-building is not the solution of the housing problem. Not only have municipalities failed to sell the houses built but they have suffered substantial losses, while at the same time missing taxes in addition. At best the few people who buy the houses get benefits at the expense of the ratepayers of the municipality and the taxbearers of the whole country.

As to relieving the shortage the evidence, we believe, is conclusive that the situation has been aggravated; normal building has been held up longer than would otherwise have been the case. How can the speculative builder—whose activities are necessary to relieve any housing shortage—be induced to put up homes in competition with a municipality, which will not only shoulder a loss on the structure itself but at the same time evade tax responsibilities which others must pay?

Then there is the question of labor costs. So long as Housing Commissions which are not afraid of losses can pay any wages they like for labor how is the speculative builder to get costs low enough to encourage the investment of capital?

The answer is obvious in both cases. It is to be found in the simple fact that the Housing Commissions have not relieved the housing shortage. Various governments have evidently realized this and faced with serious losses are refraining from further experiments. The situation has now an opportunity to adjust itself in a healthy way and the building figures tell the result.

LESSONS FROM GERMANY FOR AIDING OUR DISABLED SOLDIERS

WE HAVE boasted in Canada of what we have done for the returned soldiers. We have undoubtedly spent more money per man probably than any country in the world, but have we, in our haphazard system, really done as much for the real re-establishment of these men as have the European countries?

A very interesting official report has been prepared on the German situation by the British Controller who recently made a careful investigation. From it we can learn much on how we can get better results for our disabled soldiers and do it less expensively and less wastefully. One point is particularly interesting, he says: "The first step the German government took on the conclusion of the war was to take the disabled men off the street and make it a crime for a disabled man to hawk or sell under the guise of his disability." Only one Association was allowed to watch the interests or sell anything under the name of the disabled men." He also says that "all firms employing more than twelve men were forced to employ one disabled man for every ten and to pay that man the same wages as is paid to any other employee." Another regulation which rather contradicts our professional labor agitators who want 40 hours a week and Saturday holidays, is that the German disabled have not only long hours but have to work all day Saturdays.

An interesting proposal is being discussed between the leaders in both countries that the disabled soldier workers of Germany and England should work together under official direction, allowing certain articles manufactured in each country to go through the Association only and that they should link both countries together and pool the proceeds for the benefit of the State.

TOO MUCH TO HOPE FOR

AT THE PRESENT time the system of public ownership in Switzerland, is being made the subject of a severe attack on the part of some of the Swiss legislators. The investigations made by these men have not resulted in any proof of actual dishonesty. The trouble is said to be due to bureaucratic methods, duplicates of sinecures and enormous over-staffing in general, mismanagement and lack of economy; in short, general inefficiency.

The expense of operating the Swiss railways in 1919 was $75,719,076 and the receipts $78,591,723, leaving the net earnings $2,872,647. Interest charges on the 460 millions of capital invested, at only 4 per cent. would be over $18,000,000 a year. The total yearly taxes paid by American railroads come to $1,104 per mile. On this basis, allowing for the lower capitalization of the American roads, the loss in taxes to Switzerland is more than $5,000,000, making a total loss in interest and taxes of between twenty and twenty-five millions.

The experiences with government operation of railroads in the United States, in Great Britain, in Australia, in Switzerland and elsewhere will be repeated in Canada unless there is shown on the part of the government and the other political parties a disposition to allow the promised independent commission a free hand to run the roads in a business-like manner—and that seems almost too much to hope for.

WHEN THEY LISTEN TO REASON

APROPOS of the Arbuckle case and the disclosures of methods by which certain company directors have made profits for themselves out of their companies at the shareholders' expense by selling supplies and other things to the company at excessive prices through organizations adopted by them for the purpose. there will, of course, be rules and regulations adopted to prevent in the future repetitions of similar offences against decency in conduct and finance and during the enforcement of these there will be heard constantly the old cry that ruin cannot be made righteous by act of parliament. This may be quite true but it is also surprising what can be done with a club. A club cannot of course change the desires of men but it can make them change about indulging them.

Some years ago one of the divisional points on one of the big American railways in the west was a wide open town, so wide that it had an unenviable reputation even with the tough element amongst whom it was generally referred to as Hell. A large number of the population were simply harpies preying on the railwaymen and the result was that many of these were becoming demoralized. The company official remonstrated with the town authorities but as these were profiting heavily from the saloons, and other less creditable forms of entertainment they refused to do anything. Finally the conduct of the so-called sporting element became outrageous and the last straw was when a number of women paraded the main street one warm afternoon in very fragmentary costumes.

Scandal reached the ears of the president of the railway and the town was notified that if the lid was not put on tight in twenty-four hours the railway shops would be moved. The conversion of the town fathers was complete ten minutes after the message was received and the place became and still is, outwardly at least, a decent law abiding community.

ONTARIO HYDRO should justify itself on some other basis than what has been saved to the people on the basis of coal costs. What would Western farmers say if the C. P. R. figured that it had saved all the difference between freight rates collected and what it would have cost to transport the same volume of commodities in Red River carts.

* * * *

THE TORONTO GLOBE gives a lot of space to telling its readers what H. Gordon Selfridge thinks of that English institution "afternoon tea." Why does it not tell the same readers something about what Mr. Selfridge thinks of public ownership which he says is a failure even in Glasgow, where for years it has been held up as the shining example of publicly owned municipal services.

* * * *

OBJECTION IS MADE by The Toronto Star, the Junior Soviet organ in Canada, to the arrest of a May-day agitator in Toronto. He could get away with it in Hyde Park, why not in Queens Park, argues the apologist for the man who is alleged to have spoken of the "British Vampire." But perhaps the Red friends of the Star in London use more discretion in their remarks than the Red friends of the Star in Toronto.

* * * *

PONTING OUT that while J. S. Woodsworth, the Soviet M.P. for Winnipeg, declared in the House of Commons that something should be done for the unemployed he had no suggestions as to how anything practical could be accomplished, the Montreal Gazette comments:

> The resolution itself suggested no remedy, merely declaring that the municipalities and provinces had found themselves unable to cope with the situation and that the Federal Government should "devise some means" of dealing efficiently with it. It is very easy to move resolutions of this character, but, though they may bring the mover into temporary prominence, they do not do much to further the cause of those in whose interest they are ostensibly at least, put forward. Pressed for some practical proposal, Mr. Woodsworth had none to offer.

* * * *

SIR ADAM BECK, who is used to lording it over camp meetings of the municipalities where they all sing Stand Up! Stand Up! For Hydro!—and take their expenses for the outing out of the collection plate—found it quite different at the recent conference with provincial, civic and Toronto power representatives in Toronto. The sound common sense of men like Premier Drury, the business judgment of men like R. J. Fielding and E. R. Wood and the logic of the legal experts was discomfitting to a man who is used to having his audiences accept with enthusiasm even his most reckless statements. According to his press agents he "trembled with emotion," which is perhaps their most effective way of apologising for a man who has lost his temper when he does not get his own way.

How Henry P. Davison Entered The Financial House of Morgan

Brilliant Career of Young Financier Who Made His Impress Upon World-Time International Money Matters

In the passing of Henry P. Davison during the past week, death removed one of the most brilliant of the younger American figures in International finance. The story of his career until the time he was taken into the House of Morgan by the builder of that institution is effectively told by B. C. Forbes in "Men Who Are Making America."

"Mr. Morgan wants to see you in his library at three o'clock," was the message received one day by the vice-president of a New York bank.

He hadn't the slightest idea what the veteran financier could want with him. He had met Mr. Morgan, as most other financiers had, during the parlous days when the master mind of them all was trying to stem the 1907 panic, but had not seen anything of Mr. Morgan until the spring of the following year when, with Senator Aldrich and other members of the Monetary Commission, he had spent a Sunday at Mr. Morgan's London home. Between then and the receipt of the above message in the fall of 1908 he had seldom spoken to Mr. Morgan.

Promptly at three o'clock the young banker, wondering what the matter could be, rang the bell of the famous Morgan library. On being ushered in he almost collided with Mr. Morgan at the entrance to his private room.

Mr. Morgan shook hands and bade the puzzled visitor be seated.

"Do you realize it is pretty near the first of January?" he asked.

The young banker, very much at sea, agreed that it was—this was about the middle of November.

"Are you ready?" asked Mr. Morgan.

"Ready for what?" queried the astonished visitor.

"For what?" echoed Mr. Morgan. "You know I want you to come and join my firm on the first of January."

"You never said anything about it, Mr. Morgan."

"I thought you knew by my attitude what I thought of you," said Mr. Morgan.

A pause.

"Mr. Morgan, have you ever fallen from an 18-story building?"

It was Mr. Morgan's turn to be astonished.

"No," he replied, scrutinizing his visitor.

"Well, I never have before, and it will take me a minute or two to catch my breath."

Mr. Morgan laughed.

And that was how Henry P. Davison, then only 40, was notified of his selection as a partner in the greatest international banking firm in the United States.

The story of how this same young banker won his first foothold on the New York banking ladder reveals the stuff he is made of.

He had quickly risen from office boy to receiving teller in a modest bank at Bridgeport, Conn., when he read in the newspapers that a new bank was being formed in New York. Young Davidson wanted to go to New York. He wanted to go very badly. In fact, he made up his mind that he must get a position in this new bank.

Armed with a letter from one of his directors who knew the cashier, he took the afternoon train to New York and handed in the letter.

The cashier treated him most cordially—so cordially that the young man left smiling, although without any job.

His smiles wore off when he got into the train homeward bound and thought matters over.

But he was not to be so easily licked! Next afternoon, when the bank closed, he again boarded a New York train. The cashier although somewhat surprised to see him back, again accorded him a very pleasant interview, but explained that it was out of the question to engage an out-of-town man as paying teller—that was the office Davison was after. They must have a man with New York experience and of wide acquaintance. The cashier was so frank and sympathetic, however, that for the second time it was a smiling youth who left his presence.

The homeward journey, however, again dissipated the smiles.

He would try again!

Next afternoon, for the third time, he started for New York more determined than ever to get the place he wanted.

"The cashier has gone for the day," was the chilling message he received.

"Where does he live?" asked young Davison.

In half an hour he was inside the cashier's home. A servant explained that his employer was dressing to go out to attend a dinner. All right, the visitor would wait.

On entering the room the banker burst out laughing. So did Davison, but only for a moment. He at once got down to brass tacks.

He began with all the intense earnestness he felt: "I know I am the man you want for paying teller. I can help you. I feel embarrassed at having to say so myself, but there is no one to say it for me. Give me the position and I will try to see that you will never regret it."

The ardour, the sincerity, and the perseverance of the young man made such an impression upon the banker that he became convinced the choice would prove wise.

"How much salary would you want?" he asked.

"I would like $1,500 but I would take $600 or $700—anything you like, so long as I can live on it."

This time it was the paying teller of the Astor Place Bank, at $1,500, that said good-bye. To celebrate, he went to a theatre. The big news was overpowering.

"Say, do you know who I am?" he abruptly asked a stranger sitting next to him. The man looked at him and confessed he didn't.

"I am the paying teller of a New York bank!"

Alas, the news failed to make any tremendous impression—except, probably, that the man thought he had next to him a young lunatic!

Disappointment was in store, however. Hardly had Davison given up his position and returned home for a rest before entering upon his new duties when he received a letter from the cashier containing the news that the directors had not endorsed his action, and that it would save much trouble if Mr. Davison would forego the paying tellership and accept a lower position at a smaller salary. He added that if Mr. Davison insisted in standing upon his rights, of course the directors would have to agree.

"Perfectly satisfied to accept lower position and salary," Mr. Davison immediately telegraphed—he did not want his benefactor to be kept in any suspense during the time a letter would take to reach him.

That this telegram confirmed the cashier in his sizing up of the young man can readily be understood.

To save carfare the ambitious bank clerk used to ride on a bicycle daily to and from the bank in Astor Place to 104th Street, a distance of more than ten miles.

Henry Pomeroy Davison had early learned the value of money—and, also when he wanted to go to college, the terrible awkwardness of not having the wherewithal. His mother had died when he was seven years old—he was born on June, 13, 1867—and the four children were scattered among uncles and aunts. He attended school in his little native town, Troy, Pa., until he was 15, and before he was 16 he was teaching. He then began to realize the value of education and applied himself diligently to study. His grandmother, with whom he was then living, remarked one day: "This boy may be worth doing something for." So she arranged to have him attend boarding school, the Greylock Institute at South Williamstown, Mass. Charles H. Sabin, now president of the Guaranty Trust Company of New York, the largest in the country, was one of his classmates.

"Harry Davison," Mr. Sabin told me, "was at the top of every class he entered and was valedictorian—but he was not much at athletics. He was very popular because he used, every morning, to let a crowd look over his answers to problems and other stuff given at night. He was always willing to help a fellow out."

During vacations he worked on a farm. On graduating he returned to Troy, whose 1,200 people supported one bank run by his uncle. A place was made for Harry as errand boy in it. He immediately became intensely interested and for two years worked very hard. Troy, however, held out little of a future and he regretted deeply that he had not gone to college. He began tutoring with a view to entering college. But, when qualified, he realized that he did not have the necessary money! Then he made up his mind to strike out.

He went to New York, tramped the streets looking for a job, but failed to find one. He went to Bridgeport, Conn., where he had an old friend. There he was given choice of a job as a runner in the bank or a clerk in a grocery store. He chose the bank.

By starting early in the morning and doing as much as possible of his own work by noon, he found time to stand by the bookkeeper and learn from him how to keep books. In a few months he was doing most of the work for this bookkeeper, and when the latter was promoted the runner got the job. The new runner was at once taken in hand by Bookkeeper Davison and taught bookkeeping. Then the bookkeeper applied himself to learning all about the teller's work. When the next shift came Davison was able to step up to the tellership and the runner had been trained to become bookkeeper. He applied exactly the same method in his new position.

"Then and ever since I have found it a good system, not only to reach out and learn the work of the man ahead of you, but also to teach your job to the fellow below you," said Mr. Davison.

How the young Bridgeport teller broke into New York has already been told. Six months after starting as receiving teller in the new Astor Place Bank he was promoted to the position on which he had at first set his heart, that of paying teller.

Dame Fortune sometimes plays queer pranks to accomplish her ends. Davison was "shot" into his next place. One day a crank pointed a revolver at Teller Davisons head, presented a check for $1,000 drawn to the order of the Almighty and demanded the money. Davison coolly accepted the check, read it loud enough to attract notice and began to count out the money. Others grasped the situation, and while the gun was still cocked at Davison's head, the bank detective seized the madman.

The newspapers made much of the

(Continued on Page 15)

Coxey's Army

By H. MICHELL,
Professor of Political Aconmy in McMaster University.

A recent announcement in the Toronto press that an excitable individual was calling for recruits to accompany him on a march to Ottawa in order to present a protest to the Dominion Government against the discontinuance of relief to veterans, recalls the story of the famous "General" Coxey and his army, who marched on Washington.

Twenty-eight years ago, almost to the very day, saw this wonderful crusade. The early nineties were times of severe depression, unemployment and falling prices, and saw the rise and fall of Free Silverism, Populism, Bimetalism and all the other economic heresies that vexed the world a generation ago. Among the other movements of that disturbed time was that of the "Commonwealers," a disorganized and diffused sort of communism, that suddenly became rampant and as suddenly died away.

Jacob S. Coxey was a horse-dealer in Ohio, and so, the story is, had a horse to sell which he valued at $1,000. But when the animal was put up for auction it fetched, to Coxey's chagrin and wrath, only $145. Coxey felt aggreved, even more, he felt that somehow, in a way he did not quite understand, he had been cheated. What was wanted was some remedy for falling prices, and obviously the simplest was an issue by government of a great amount of paper money. He determined to lead a crusade, to demand that half a billion of paper money should be issued in putting the unemployed to work in building roads. He also tacked onto this another demand for the total suppression of "using," by which term he designated the charging of interest on borrowed money.

On March 24, 1894, Coxey raised the banner of "The Army of the Commonwealth of Christ" as Massillon, Ohio, and the march on Washington commenced, with a hundred men in the army, and 43 press reporters to chronicle the crusade for the benefit of an interested and amused world. Coxey led the vanguard, while another larger force under one Kelly marched behind. As the march progressed recruits came in, and in a short time their numbers were swelled to quite respectable proportions. They were a motley crew. a few honest men who really believed in the crusade; a number of visionaries and religious fanatics who thought that in some undefined way the march was to usher in the Millennium; and a rabble of hoboes and hangers-on, who joined in the hope of plunder or pickings on the way.

For a short time things went fairly well. The marchers were received not unkindly on the way, perhaps out of real pity for their tattered and forlorn condition, perhaps out of fear of depredations, and on the whole it must be said they behaved remarkably well. But nature was against them and the spring rains damped their ardour. Desertions were numerous and it was a bedraggled remnant of about 300 men that Coxey led into Washington six weeks later. And here the adventure ended, for marching his men to the capital, Coxey began to harangue them for the last effort that would carry them triumphant to their goal. But the general made a fatal mistake. he stepped on the sacred grass on the lawn in front of the capital and was promptly arrested by the vigilant custodians and cast into prison for this awful offence. With Coxey in prison the crusade was over; the army melted away and the world laughed at the farce.

And now we are promised another Coxey's army, to march this time on Ottawa. There is always in such incidents a pathetic side. a touch of tragedy in the farce. Men, often quite honest men, become troubled and are bewildered and think that if something very striking and bold is done their troubles will be cured. But these are much in the minority. and round them gather all sorts and conditions. who are neither honest. nor particularly troubled about anything except the problem of getting a living easily. These are the mischief makers, and because the visionaries attract such to their cause. society has always, although oftentimes reluctantly, been compelled to suppress and even deal harshly with the visionaries which, on reflection. will be seen to be a pity but quite inevitable.

How strangely does history repeat itself. Every time that the world comes upon an era of depression and falling prices it is confronted with all the old heresies come to life again. Coxey was only another Wat Tyler who led a rabble to London and got knocked on the head for his pains. If times are bad and prices are falling all will be set right by putting the printing press to work and making lots of new money.

In conclusion may we most earnestly commend to our Canadian Coxey one piece of advice? Whatever he does when he arrives at Ottawa let him beware of stepping on the lawn in front of the Parliament Building when one of the vigilant Ottawa police is watching. If he does, his cause is lost. The motto for all Coxey's is "Keep off the grass."

PERSONALS

A. W. W. KYLE, M.C., who was formerly connected with the investment department of the Royal Trust Co., has joined the staff of Aemilius Jarvis Co., and will be in charge of sales for the City of Montreal.

W. A. BLACK, who is known best as vice-president and general manager of Ogilvie Flour Mills, and as vice-president of Molsons Bank, has been added to the Board of the Dominion Alloy Steel Corporation. Mr. Black is also a director of the Abitibi Power and Paper Co., and the Sea Sled Co., and president of the Dryden Paper Co.

JAMES B. FORGAN, chairman of the Board of the First National Bank of Chicago, may be classed with George F. Baker and Chauncey Depew as the three men of advanced years, conspicuous in business and the public eye, who wear their old age "hale and green" and are as physically and mentally alert and active as most men who have put fewer years behind them. Mr. Forgan celebrated his seventieth birthday anniversary on April 11 and plans to leave for Europe soon. As director of the American Radiator Co., he will accompany President Wooley and other directors of the company abroad on a tour of inspection in the interests of the foreign business of the company.

Government Bonds

SECURITY	RATE	DUE
ALBERTA (Guar. C.N.W. Ry.)	4½%	Feb., 1942
BRITISH COLUMBIA (Guar. P.G.E. Ry.)	4½%	July, 1942
BRITISH COLUMBIA	6 %	June, 1941
BRITISH COLUMBIA	6 %	Oct., 1946
MANITOBA	6 %	June, 1941
MANITOBA (Guar. R.M. Albert)	6 %	1923 - 1952
ONTARIO	6 %	Dec., 1935
ONTARIO (Guar. H.E.P.C.)	6 %	July, 1961
QUEBEC	4 %	Jan., 1928
SASKATCHEWAN	6 %	Oct., 1940

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

NET DEBT PER CAPITA

Subscriber, Parry Sound.—Would be glad if you could tell me what is the per capita debt of the Dominion, also what is the per capita debt of the Province of Ontario.

The total net debt of Canada is $2,400,000,000 and figuring the population as 8,750,000 the net debt is $274 per capita. At the time the war broke out it was under $50 per capita.

Ontario has a debt of just over $200,000,000 and with a population of 2,700,000 the per capita debt is $74.

THOMPSON POWDER

Enquirer, Huntsville.—Would like your opinon regarding the Thompson Powder Company.

According to enquiries we have made recently, the Thompson Powder Company started active production last fall but ran foul of certain regulations covering the manufacture of explosives and only got under way again recently with a production of about two and one half tons per day. According to the promoters the product has been well received by mining men in Northern Ontario and if a sufficient market can be developed the project would seem to have possibilities. It is a question evidently of waiting, however, and we doubt if you could find a satsfactory market for the stock at the present time.

FRAUDULENT INSURANCE AGENTS

X. Y. Z., Toronto.—Would you be so kind as to inform me as to the following case, that might occur to a large company. If there was fraud on the part of an insurance agent, in that he did not turn in the money collected in premiums, into the company and have the policy properly issued, in case of fire would the company who thought they were properly insured have to suffer the loss?

Practically all insurance agents have the power to sign interim contracts for the company they represent. If the agent signs the contract and then fails to make any return to the insurance company of the premium paid to him, the company can only treat him as a common debtor and obtain a judgment against him. In any case the company is liable for the full amount of the policy, whether they receive the premium or not.

DOMINION ALLOY STEEL

Reader, Stellarton—Would you kindly give me your opinion on the stock of Dominion Alloy Steel Co. and if you consider it a good speculative investment.

One of the strongest features of Dominion Alloy Steel is the association of the corporation with the biggest men in the alloy steel business in the United States. With such men as Harry S. Jones at the head of affairs the company should be assured of aggressive management. In fact the American interests in the company are more impressive than some of the Canadians whose names are listed on the board of directors.

The stock can be classed as a good speculative investment. The company has a long way to go before it makes good but with an evident market for the product it purposes to manufacture and the association of men experienced in the business it is starting out with good prospects.

PICKING THE BONDS

Novice, Ontario.--I have a thousand dollars to invest. Kindly advise me what you think best to buy. At present I have Province of Ontario bonds and Victories and five hundred King Edward Construction Company with two common shares bought at par. I want security of principal and interest. How do you regard King Edward Construction 8 p.c. preferred? Would you regard Border City Hotel 1st mortgage bonds as absolutely safe? Would you regard Mount Royal Hotel debentures as too speculative for me? Give me your opinion of Wayagamack Pulp and Paper 6 per cent. mortgage bonds at $77.80 and 1st mortgage bonds of Canadian Paperboard, at $95.50.

If your holdings of Victory bonds and Ontario bonds are fairly substantial you are justified in seeking a somewhat higher yield by purchasing such bonds as you mention which have attractions but are more speculative. Wayagamack and Canadian Paperboard are both good industrials in their class. Mercury Mills, Dominion Textile or Provincial Paper are stronger than the two just mentioned but return a lower yield. You probably have enough hotel securities for a comparatively small investor. Diversification in investing is a wise plan, tending to greater security.

EMPLOYING A TRUST CO.

C. A. W. Alberta.—Have about $7,000 invested with the Standard Trusts Co. in Edmonton, who put this money out at interest for me from time to time, as opportunity occurs. Do you consider this method as safe as investing in stocks and do you consider this company a safe one to be dealing with? Is the Standard Trusts as strong as the Royal Trust Company.

If you are not in a position to study closely the investment market and are not experienced in such matters you could probably not do better than invest your money through a reliable trust company. The officers of such companies are trained in making conservative investments and while the returns may at times seem comparatively small as compared with those offered by more speculative propositions we think that over a term of years the benefits will be evident.

The Royal Trust Company is, of course, a much bigger institution that the Standard Trust Company but the latter we consider as being absolutely reliable and for your purposes quite satisfactory from the fact that it is a western institution and therefore in a position to meet your particular requirements as to service.

THAT $10,000 POLICY

In THE FINANCIAL POST last week there appeared suggestions from a number of leading investment houses as to the investment of the proceeds of a $10,000 endowment life insurance policy held by a doctor in Nova Scotia. Following is a further reply from J. M. Robinson, & Sons, Limited, St. John, N.B.

As investor already holds $21,000 of Victory Loan bonds, our recommendation in this would be that he invest the whole $10,000 in well selected Power Company bonds such as—

Southern Canada Power Company 6's due Sept. 1948 at 97.50 and interest to yield 6.20 %.

Manitoba Power Company 7's due 1st November 1941 at 100 and interest to yield 7 %.

Laurentian Power Company 6's due 1st. Jan. 1936 at 95 and interest to yield 6.55%.

East Kootenay Power Company 7's due 1st. April 1924 at 97.50 and interest to yield 7.25%.

We recommend power company securities because they represent the means of developing at a cost which will put foreign competition out of the running the wealth of Canada. The manufacture of power is in the broadest sense a national industry. Power bonds are second to none in point of security and lead most others in income return. Any development of Canada's wealth requires power in some form or other; from the man power behind the hoe to the water power in thousands of electrical units. Power is fundamental and because power is fundamental and underlies every human effort power securities are among the safest, as they are among the best paying investments of this day and age. When one buys a good power company bond, one gets both security and assured income return for power more than any one element is the cardinal factor in the industrial life of this or any other nation.

It is to be noted that Manitoba Power Company bonds carry with them the right to subscribe to the common stock and East Kootenay Power bonds carry with them a bonus of common stock.

With regards to the stocks which he is holding, Brazilian, C. P. R. Shawinigan, Montreal Power, Laurentide, Ottawa Light Heat and Power and Merchants Bank.

We would recommend your investor to sell his stocks with the exception of the bank stock during the summer's market. It is quite impossible to forecast when the present bull market will culminate but it would seem to us that some time this year, possibly towards the close of the year, will mark the highest point. As a matter of fact the stocks which he holds are good dividend payers, the companies are doing well and if he should miss the market and be obliged to hold longer he still has very substantial investments.

BUILDING COSTS

Reader, Ontario.—Would like some information as to the percentage of building costs, labor and material, up or down for the years 1915 to date, that is, comparing 1915 with 1916, what was the increase or decrease and so on from year to year.

Taking the year 1913 (the first complete pre-war year) as 100 per cent. the cost of building materials since have averaged as follows:

1913	100%
1914	98%
1915	100%
1916	120%
1917	160%
1918	175%
1919	210%
1920	260%
1921	210%
1922 (February)	190%

(Peak in March, 286%)

1913	100 %
1914	100.3%
1915	100.5%
1916	101.5%
1917	108.8%
1918	123.8%
1919	142.9%
1920	171.9%
1921	164 %
1922	150 %

Building materials are estimated to form about 43 per cent. of the cost of building.

Wages in the building trades have varied as follows: again taking 1913 as 100 per cent. and estimating 1922, wages comprise about 44 per cent. of the expense of building. This leaves about 13 per cent. for overhead and profit.

MERCHANTS CASUALTY

L.C., Regina.—I have been canvassed by a representative of the Merchants Casualty Company who offers a new contract issued by this company called the "Merco" Sickness and Accident Policy. The feature about the insurance is that it is wide open and apparently offers a great deal more than the ordinary accident insurance, and therefore would seem to be a better policy. It seems to me, however, that they are offering so much more than any other accident policy that I have ever seen, that there may be something in it that is not apparent on the surface. Would appreciate your viewpoint in this matter.

The Merchants Casualty Company is one of the newest companies in Canada, writing this class of business and is evidently issuing this new policy to secure business in lieu of an extensive advertising campaign. The chief point in the selling talk of the company is that they do not offer a heavy death policy but simply insure the client for a low amount in the principal with the result that their policy risk is cut down and rates reduced. As a matter of fact they simply reinsure in other companies for all amounts over $1,000. As to the financial position of the company, while it has been a comparatively short time in the field, it is said to have been successful and policy holders would seem to be reasonably safeguarded. It is possible however, that in a year or so the company will find it advisable to add riders to this policy on renewals which will materially alter the conditions.

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Nova Scotia Tramways and Power Company 30-year 7% Bonds will appeal to you after you have read the circular issued in connection with our purchase of a new issue of $1,250,000.

The Bonds are offered at 97½ and accrued interest, to yield 7.20%.

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Drilling for Oil Proved Greatest Commercial Game of Chance

Prospecting in Such a Vast Area as Canada Offers Has Only Been Commenced as Yet—Experiences in Other Countries

By AGNES C. LAUT.

There is a distinct feeling of disappointment in Western Canada over the skipping of a beat in an oil boom in 1921 and the lack of any boom beat at all for 1922.

People are going back to the old conservative geologists' question—has the oil, which was once under the alluvial deposits of Northern Canada, seeped away underground to the sea; or has it come up by capillary attraction in the long 12,000,000 years of icial floods and minute diatoms of the sea which are supposed to contribute to oil, has it come up by capillary attraction and evaporated into the atmosphere leaving nothing but the tar sands and smell?

If it is there, why can't oil be found in pay quantities? Why do they keep the Ft. Norman well cased down? Is it true its initial flow of 1,500 barrels at Ft. Norman has gone off to 4 barrels a day? And so on and on, the doubting Thomas questions of every era between depression and progression.

The best way to reassure Canada of exactly where she stands on oil is to give some facts on the other big oil producing areas in the world.

Oil was known in Kansas in 1830. The big producers were not brought in till the 1900's, and this was largely by deep drilling according to a new formula. Likewise of California. Oil was known from 1869. It was not produced in commercial quantities till in the '90's, and this too, was largely by a new formula devised by Doheny, who afterwards became the greatest developer of Mexican areas. Stripped of technical expressions, his theory was that the trick was not to find the oil below the seepage or spill on a hill side; but knowing oil will always rise to the top of water and be forced up by the hydrostatic pressure of the underground waters, to find where the pool was likely to lie back of the seepage. The theory worked out was close to the seam of a faulting cline or anticline, where the sands would be packed but the fluid could find an underground channel. Also the theory was not to drill in the deep hollow of a wavy line, as the beginners would expect, but a distance up the hill side or dome, where the oil would be lying on the surface of either the salt water, or the water-soaked sands. This theory found its most astounding proof under Doheny in Mexico in the 1900's, where gushers were brought in that have yielded 100 million barrels in ten years and are now largely exhausted.

Optimism for Canada

To come back to Canada, I shall pick out of an enormous mass of a recently gathered for other work, some facts of good cheer bearing on Canada's oil prospects.

First of all the geology in the Canadian North-West proves a possible oil area of 900 miles by 50 to 100 in the North, 400 miles long by 200 to 300 wide in the southern section of the grain provinces. This does not mean that all these areas will be oil territory. It proves they are oil bearing, but as to whether they will bloom into reality has to be found out. Less than 1 per cent. of Pennsylvania's area is oil bearing; and yet in some years past, Pennsylvania yielded 50,000,000 barrels of petroleum. Her best wells average 4 barrels a day now, her poor ones 1/3 of a barrel. All oil wells decrease in output as the years go on. Therefore, an oil well's first three years output should pay back the first terrifically heavy preliminary cost. In the old days, Titusville men would not bother with a well that did not pay costs in six months; but costs in those days were $1,000 to $5,000 a well, or 70c. to $1 a foot to drill. Costs today are $40,000 to $150,000 a well and $12 a foot for deep drilling, so a longer time must be allowed for a well to pay its first costs. In Mexico, a well that yields under six to ten barrels a day has to be abandoned; for the cost was so great to drill it, it would never pay for itself. Whereas in Pennsylvania, a well yeldiing 1/3 of a barrel a day can be worked, because the well may have cost only $1,000 in the first place and has kept up its small output for fifty years.

In oil territory, to show how small a field the yielding pools lie in, these figures should be consulted;

One area in Texas 19 acres produces enough oil in a few weeks to overflow a tank the size of the Woolworth Tower fifty-eight stories high.

Wyoming's big recent producers occupy an area of only six square miles.

Mexico's famous Casiano field, which yielded 100 million barrels, was about ¼ mile wide by 3 long.

The finding of a needle in a hay stack is not more elusive than the finding of such a 3 mile area in a field 900 miles long.

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Yielding 6% to 8%

We buy, in whole or in part, issues of securities for the financing of corporations, municipalities and provinces.

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Greenshields & Co.
INVESTMENT BANKERS
17 St. John Street, Montreal
Toronto • Ottawa

CURRENT OPINION

ADVERTISING THE BANK'S HISTORY
The American Banker

"The past is past" but nevertheless there are few people who are not interested in events that have taken place. Since the advent of the newer school in bank advertising, many bank advertising men have made considerable use of events in history as the subject matter for their advertisements. These historical advertisements are always interesting. They carry a great amount of news value. For although it is true they are history, it is an old saying that what one did not know before is always news; and many interesting events in many a bank's history are little known. The Chemical National Bank of New York has been running a remarkably interesting series of advertisements of this nature, giving the facts about the starting of the bank and how it earned its name of "old bullion" in the panic shows in this series how much can be done with a historical series, when confined simply to incidents in the bank's own history.

BUSINESS MEN IN CABINET
Stratford Herald

Nobody was surprised at the defeat of Mr. McMaster's resolution offered in the Dominion Commons on Monday. The aim of the resolution was to bar Cabinet ministers from directorships in financial companies, a principle that smacks of an idealism not yet feasible in political life. Mr. McMaster argued well for the principle embodied in the motion but he must have realized that he was leading a forlorn hope, for the time has certainly not yet come when the Canadian Parliament will bar from cabinet service men who have proved themselves in private business as shrewd and successful managers. It would not be in the best interests of the country to do so.

This is not to say that public service should not be the lode-star of all Cabinet ministers. Unless actuated by the desire to give of his talents and time to the good of his country, no public man fulfills the trust imposed in him. Certainly we do not want a situation where men seek governmental rank merely to serve their own ends. But on the other hand we do not desire a class of Cabinet members who make politics their profession. Rather must the people continue to find in their own ranks practical business men of tried calibre, who are ready to devote a reasonable part of their time and energies to the transacting of the country's business. They should not be expected to give up their own business interests, for a Cabinet minister's portfolio is not everlasting, and insofar as is feasible, every member of the government should be in a position to return to private life at the expiration of his political career without the handicap of financial embarrassment. It is an old belief, of course, that after a few years in politics—especially with the "ins"—a man is usually on Easy street financially, but it is probably more correct that most public men make a sacrifice in the service of the banks.

THE HYDRO QUERY
London Advertiser

The St. Catherines Standard objects to the appointment of Lloyd Harris of Brantford as one of the commissioners appointed by the Drury government to investigate Hydro expenditure and the soundness of the scheme generally.

The Standard takes the ground that Mr. Harris "is a man of big business, and he belongs to that class which might properly be termed the financial interests of the country." Mr. Harris, the paper also points out, objected to Hydro coming to the City of Brantford in the first place. On these grounds it holds that he is not a fit person to investigate the finances or the scope of Hydro.

It is just possible that this line of argument may not hold good. The idea of the Drury government is to investigate the financial standing of the Chippawa development scheme, and find out where the enormous sums of money have been spent, and where they are going to be spent, for there are many millions yet to go into the scheme.

The people who are putting up this money are not all public ownership advocates. There are many parts of the province which are not concerned at all except for the fact that their credit is involved in the financing of the scheme. The size of the outlay makes it imperatively necessary that every bit of information shall be secured. It is a project dealing with millions, and a man used to dealing in business in a large way, such as Mr. Harris, can take in the details and the possibilities of such a scheme and analyze it properly, whereas a man who had no experience on such a vast scale would be handicapped from the very start.

The fact that Mr. Harris is not an advocate of public ownership does not make him an undesirable member on the commission. Does the Standard hold that the commission must of necessity be composed of men who are public ownership advocates, and who, before the inquiry is ever started, are committed body and soul to the project? If such is the case there might as well be no inquiry, as the verdict would be a foregone conclusion before a meeting was held.

Mr. Harris can probably be trusted sufficiently to look at the whole project in a fair and a square way, and his standing in the business world is sufficient to guarantee the fairness with which he will deal with matters submitted to his attention.

City of Toronto, Ont.

5%, 5½% and 6% Bonds
Due 1922-1952

Purchasers may select from 30 maturities.
Principal and half-yearly interest payable in Toronto.
Denominations: $1,000.

These bonds afford the purchaser security of the highest grade. At the same time, interest returns are high, and a wide selection of maturities is offered.

Price: To yield from 5.20% to 5.50%, according to maturity.

Write for descriptive circular.

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Dominion Power & Transmission Co. 5's, April 1, 1923 to 1932
Hamilton Electric Light & Cataract Power Co. 5's, Oct. 1, 1929
Hamilton Cataract Power, Light & Traction Co. 5's, Apr. 1, 1943

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Investment Suggestions From Our May List

CITY OF BELLEVILLE, ONT.
5½% bonds due May 1, 1952.
Price: To yield 5.25%

PROVINCE OF NEW BRUNSWICK
6% bonds due Feb. 15, 1928. Payable in N.Y.
Price: To yield 5.30%

CITY OF TORONTO, ONT.
6% bonds due June 1, 1951.
Price: To yield 5.30%

CITY OF GUELPH, ONT.
5½% bonds due Dec. 31, 1936.
Price: To yield 5.30%

CITY OF BELLEVILLE, ONT.
6% bonds due Jan. 2, 1942.
Price: To yield 5.35%

Write for our complete List of Offerings

McLeod, Young, Weir & Co., Ltd.
Investment Bankers

23 Jordan Street, TORONTO.
40 Hospital Street, MONTREAL.

BROTHERS

A Congressman, the story goes, years ago was far from home and got short of cash. He had a Masonic charm on his watch chain, and noticed that a fellow-traveler in the smoker wore a similar charm. He sat down by him and said confidentially: "Brother, I am up against it. Lend me $100 till I get home!" His casual travel companion glanced at the charm, looked him over, and finally handed him the hundred, which was promptly returned when the Congressman got home. Recently the two men met at a gathering of Masons and recalled the incident. "Say," said the man who lent the money, "when you met me on the train I wasn't a Mason at all. I had found the charm and put it on my chain. You thought I was a Mason, however, and I was ashamed to have you think I wouldn't help a brother in distress. But I wasn't a Mason then." "Just between us," was the Congressman's reply, "I wasn't either. I was wearing my father's watch."—Outlook.

Fifty-six companies supplying radio apparatus incorporated in New York State in April with aggregate capitalization of $1,759,000.

NEWS OF THE BOND MARKET

ONTARIO HIGHWAY BORROWING WILL TOTAL $25,000,000

Over 1,800 Miles of Good Roads To Be Constructed

Ontario bonds have built a solid position for themselves during the past few years, demonstrating by the prices received that the issue of an unprecedented total over a comparatively short period has not seriously affected investment opinion concerning them. While the total of bonds for Hydro-Electric purposes to be issued this year will be only $6,000,000 as against totals amounting to several times that in each of the past two years, the "Beck bonds" will be replaced to some extent by "Biggs bonds," as the minister of highways has a construction programme that involves borrowing $25,000,000 by 1924. Thus there is assurance that Ontario bonds in considerable quantities will continue to be issued and the market will again have an opportunity of passing judgment upon them.

Hon. F. C. Biggs, the highways minister explained his plans this week. Inclusive of work already done since 1918 which has cost some $18,000,000 it is proposed to spend $55,000,000 by 1924. This will provide for the improvement of over 1,800 miles of highway.

How Money Will Be Raised

The money will be raised in the following manner: $10,000,000 from motor licenses, $4,500,000 from Federal grants; $10,000,000 from the 20 per cent. assessment on the counties; and $3,200,000 from cities paying 20 per cent. of the cost of suburban entrances. This would leave $27,500,000 to be raised by the province and this will be borrowed.

Motor license fees will be diverted to the repayment of principal and interest on the sum so borrowed. The plan actually involves the capitalization of motor license fees for twenty years. Two millions a year of such fees will be sufficient to retire the bonds serially and meet interest charges. The license fees are likely to total well over $3,000,000 a year but as the sum to be borrowed will require only $2,000,000 for annually for retirement on the serial plan.

Total Borrowing $40,000,000

Authorization was given Provincial Treasurer Peter Smith to borrow $40,000,000 this year. Refunding will take $18,000,000, highways $7,000,000, hydro-electric work $6,000,000 and railway construction $2,675,000.

Afternoon Tea In Office Of Investment House

One of Toronto's bond houses is the latest organization to follow the English custom of serving tea in offices. At 4 o'clock each afternoon each member of the staff is served a cup of tea and it is claimed that the stimulant provided by the tea is sufficient to make the closing hours of the day as productive as the earlier hours.

This custom—universal in the British Isles—has been in force in a number of Canadian business offices for some time and it is beginning to find favor in the United States, added stimulus to the movement having been furnished by the recent visit to that country of H. Gordon Selfridge, London, England, merchant prince. Mr. Selfridge is American born and confesses that he was a hard convert to the afternoon tea habit when he first had his store in operation. But now tea is served to all clerks and other employees of the big Selfridge store every afternoon.

MERCURY MILLS BOND ISSUE OF $800,000

Offering Well Received When Made This Week To Public

Good reception was accorded an issue of $800,000 of 6½% first mortgage twenty-year bonds of Mercury Mills Limited, offered this week by Housser, Wood & Co. and Wood, Gundy & Co. The offering price was 99.75 to yield 6⅝%.

The bonds are part of an authorized issue of $2,000,000 and are a first charge on all the fixed assets of the company, which is a large manufacturer of knitted goods. The president is John Penman, founder and former owner of Penman's Limited.

The offering circular points out that the appraised value of the company's properties is $1,689,839—over twice the bond issue—and average net earnings for four years have been $209,856 annually, or over twice bond interest.

Wabasso Cotton Co. $750,000 Bond Issue

Will Be Offered Shortly To Provide Capital For Extension of Mills

MONTREAL.—An issue of 7 per cent. mortgage and collateral trust sinking fund bonds amounting to $750,000 of the Wabasso Cotton Co. of Three Rivers, Que., has been underwritten by Royal Securities Corporation and will be offered to the public in a few days. The issue is dated May 1, 1922 and will mature in 1942, a period of twenty years. These bonds besides having a general lien on the fixed assets of the Wabasso Company, ranking next to a 6 per cent. first mortgage issue of a little less than $900,000, also are secured by an equity of some $900,000 in the St. Maurice Valley Cotton Mills Co. of Shawinigan Falls, which is a subsidiary of the Wabasso Cotton Co. The purpose of the new issue is to raise capital for an extension to the plant of the Wabasso Mills which has been under consideration for several years.

The Bonds Of Beck and Biggs

Biggs' Bonds! Beck's Bonds!
The best bonds known.
One a penny; two a penny
Step up and be shown.

Sell them to the people,
Fresh bonds all the time,
A harvest for the bond men,
Boost your bid a dime.

Beck's Bonds! Biggs' Bonds!
The best by test,
Ask for the money,
Peter does the rest.

$1,250,000 Issue of Caron Bros., Inc.

To Enable Firm To Develop Light and Power Sets for Farming Districts All

MONTREAL.—An issue of $1,250,000 of first mortgage 7 per cent. bonds of Caron Bros. Inc., has been underwritten by Versailles, Vidricaire & Boulais, and will shortly be offered to the public. These bonds are in denominations of $100, $500 and $1,000, and are serial bonds maturing from 1926 to 1934, on the basis of $50,000 from 1926 to 1928; $125,000 from 1929 to 1933, and $475,000 in 1934. The main purpose of the issue is to enable this company, which has had a very successful career as manufacturing jewellers, to develop another department in the manufacture of light and power sets mainly for agricultural communities.

The new company which takes over Caron Bros. Ltd., will possess all the assets of the old company which are valued at over $600,000, and a large plant at Longue Pointe covering six acres which was used for the manufacture of munitions during the war. In addition the bond issue is secured by three large apartment houses. All of these bring in an average of over $100,000 a year as income. The plant will manufacture 6,000 sets a year and the profits on these are estimated at least $700,000. After the financing is completed the company will have $600,000 of liquid capital.

Edmonton's Per Capita Taxes Low In The List

From Our Own Correspondent

EDMONTON.—This city having had somewhat severe criticism passed upon it in the last year or so on the score of high taxation, its per capita rate being spoken of as one of the highest in Canada, it is worth noting now that such an improvement in its financial affairs has taken place that it no longer holds that unfavorable distinction but has the second lowest per capita tax in the Western provinces.

The tax here this year figures out to $43.6 per capita. Winnipeg has the lowest, $41.1. Vancouver is $46.7, Saskatoon and Regina $50, and Moose Jaw $54. Calgary's per capita rate is not known, the levy for the year having yet to be fixed.

BIG DIFFERENCES BETWEEN VARIOUS INDUSTRIAL ISSUES

Investor Cannot Link Them All Together—Yields Vary

Industrial bonds are still very much in the centre of the investment stage and there have been incidents of importance in the more recent developments concerning them.

One such significant incident was the appearance of the name of one of Canada's bond houses, which has hitherto dealt exclusively in government and municipal bonds, at the foot of an offering of industrial bonds. This means that there is not a single one of the front rank houses of large placing power left exclusively in the government and municipal field. One by one the larger investment houses that have specialized in government and municipal issues have turned to industrials to some extent.

This development is regarded as one that is likely to have a wholesome effect. Canadian industry requires capital and would like to get that capital in Canada. The houses that have built up a distribution of securities that enable them to raise large sums are needed in the industrial field to finance industrial expansion. From the standpoint of the investment houses there is also the consideration that trading in government and municipal bonds has been done upon a very narrow margin of profit during the past few years and while it has not been unprofitable it has at least demanded large turnover and consequent decreased overhead costs per sale to be successful. The somewhat higher remuneration afforded by the handling of industrial securities is not without its attractions.

Difference In Issues

There has been a wide margin in the yields offered on the various industrial issues that have been brought out, ranging from 6 per cent. to 8 per cent., and in one case 8 per cent. with a bonus of common stock. Roughly classifying the issues though, there have been about two classes, the soundest and most highly regarded issues that have sold at an average of yield of around 6½ per cent. and the bonds that for various reasons have had to be offered to yield between 7½ per cent. and 8 per cent.

This recognition by investment houses of fundamental differences in the strength of various issues should remind investors that there are various degrees of attractiveness in industrial bonds. The old rule applies with some force that the higher the yield obtained the smaller is apt to be the margin of safety. Eight per cent. industrial bonds—if they have been investigated and found worth while—are good investments for the business man who has other sound securities to fall back on and who is in a position to watch the companies represented and follow the markets fairly closely but they have their limitations for the smaller investor who should be content with a lower yield in exchange for more inherent strength in the security.

These industrial bonds that have been coming on the market have in many cases offered great attractions. With the probability of a strengthening of values in industrials with a return to greater industrial activity investors have not been slow to take up the issues offered as they have come out and oversubscriptions have resulted in many cases. The careful investor should analyze the opportunities afforded carefully and see where judicious purchases can be made to fit in with his present investment holdings.

Will Raise Capital Matachewan Power

Offering will shortly be made of about $850,000 of an authorized issue of $1,500,000 of 7 per cent. first mortgage bonds of the Matachewan Power Company, Ltd. With the capital raised by the financing it is proposed to erect a power plant on the Montreal River to supply much needed electrical energy to mining camps of Northern Ontario. The company controls sites for the development of 12,000 h. p. In addition to the bonds the company will have capitalization of $1,000,000 of common stock and it is likely that a bonus of common shares will be offered with the bonds.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending May 9.

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High	Low.	High.	Range 1922 Low.	Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.53	100	73	100	76	82	—	92½	—
Can. Bread	6	1941	6.32	90½	82	96½	88½	96¼	—	96¼	—
Can. Locomotive	6	1951	6.61	90	82	94	87	—	92	92	—
Cedar Rapids	5	1953	5.29	97	86	97½	94	96½	95¾	96	95½
Dom. Canners	6	1940	6.65	87½	86	93¾	93	—	92¾	93	—
Dom. Iron	5	1929	6.90	88	75	89½	82½	90	88	88½	—
Lyall	6	1932	9.10	86	68	79	75	—	75	77	—
Montreal Sept. 23	6	1923	5.85	100	97¾	102	97½	100½	99½	100¼	99¼
Montreal Dec. 22	6	1922	6.00	108	104	104¼	100	100	—	100	—
Nat. Breweries	6	1939	6.00	98	90	100	97	—	98	100	—
Ogilvie	6	1932	5.86	100	92¼	101¼	100	101	—	101	—
Penman's	5	1926	6.65	89½	85	93	90	93	92½	93	—
Quebec Rly	5	1939	8.30	68	59	71	63½	69⅞	69¾	70	68
Rio Janeiro	5	1935	7.41	84¼	78	85⅝	76	—	—	79	78
Sao Paulo	5	1929	7.51	82	70	85½	80	86	85	85½	84
Wayagamack	6	1951	7.92	78¼	69½	79	71¾	—	77¾	78	77¼
Winnipeg Electric	5	1927	7.18	92	92	90¼	89½	—	89½	89½	—
War Loan (1925)	5	1925	5.49	96.00	92.00	98.60	96.10	98.30	98.00	98.60	97.90
Do., (1931)	5	1931	5.19	96.60	90.05	98.90	96.25	98.60	98.50	98.90	98.40
Do., (1937)	5	1937	4.93	102.50	94.50	101.50	99.50	100.85	100.70	100.85	100.40
Victory, (1922)	5½	1922	5.55	99.55	96.62	100.10	99.10	100.00	99.90	100.05	99.70
Do., (1923)	5½	1923	5.60	99.50	95.50	100.10	98.75	100.05	99.95	100.00	99.50
Do., (1924)	5½	1924	5.62	98.50	94.25	100.75	98.00	99.85	99.65	99.95	99.40
Do., (1927)	5½	1927	5.35	101.00	95.25	102.70	99.75	101.00	.....	101.25	100.40
Do., (1933)	5½	1933	5.12	101.80	95.12	103.50	101.25	103.25	103.15	103.45	102.90
Do., (1934)	5½	1934	5.40	99.43	92.25	101.45	98.80	100.95	100.85	101.45	100.85
Do., (1937)	5½	1937	5.00	104.00	96.50	106.55	103.30	.....	105.45	105.65	105.20

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6% BONDS

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2 May, 1936
1 February, 1941
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Insure Investors
Fundamental Strength
Based on
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They are the First Mortgage Security of a Basic and Prosperous Industry. One that supplies 60 p.c. of the entire Domestic consumption of wrapping paper, besides a large export trade. The earnings over a period of years have been more than three and a half times the Bond Interest.

Price at market — They are 6 p.c. Bonds, so that, at the present price of about 77.50 and interest—the income yield is about 8 p.c., with a very reasonable prospect of an early increase in the Market Value.

The assets of the Company are nearly 2½ times the entire Bond issue.

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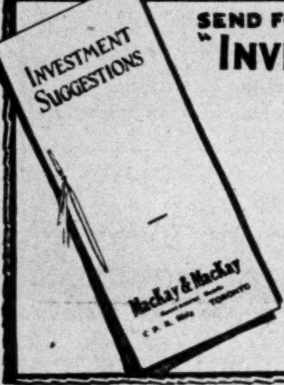

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CIVIC AND PROVINCIAL FINANCE

SWIFT CURRENT'S INTEREST RATE 3% IS NEW PROPOSAL

Bondholders Being Asked To Ratify Another Settlement

From Our Own Correspondent

REGINA.—This week bondholders possessing Swift Current debentures will be asked to ratify an agreement proposed by the city, the banks and others interested whereby:

"For a period of five years, the city of Swift Current will pay interest on bonds and other obligations to the amount of three per cent., with the proviso that any interest not collected up to three per cent. in any year will be paid in subsequent years, if circumstances warrant, or capitalized at the end of the five-year period.

"The sinking fund and principal payments falling due during the five-year period are to be deferred until the end of the term.

"All interest owing on debentures or to the bank over and above the three per cent. during the five-year period, is to be written off.

"Provision is made for discount on arrears of taxes as provided in the agreement of last year.

"The council of the city is to remain in charge as formerly, but subject to the approval of a supervisory committee insofar as matters of finance are concerned.

"The supervisory committee is to be formed of two members appointed by the creditors, two members by the city and a fifth by these four and in the case the four do not agree upon such appointment, the Local Government Board will make the appointment.

"The city council will function in all matters except finance, which will be subject to the control of the Local Government Board.

"The accrued interest of the year 1921, will be adjusted by the board of management.

"At the end of the five-year term of the agreement, a re-survey of the city's financial position will be made and a new agreement entered into based upon the then ability of the city to liquidate its indebtedness, having regard to the conditions then existing. Said agreement to be only such as is warranted by circumstances and for the protection of ratepayers.

"In the event of the creditors and the city not being able to agree as to terms, the matters in dispute are to be referred to the Local Government Board, the decision of which, in regard to such terms of extensions, shall be final.

"The assessment, reduced from $4,000,000 to about half that amount, in 1922, is to be raised to $3,000,000."

The attitude of the Canadian Bank of Commerce, the city's chief creditor, has been most considerate and officials of Swift Current are still hopeful that with the passage of time and with business and industrial conditions more favorable, it will be possible to extricate the city from its apparently hopeless state.

Canadian Bonds Will Sell Up To N. Y. Prices

"All bonds of long-term will reach considerably higher prices, notwithstanding the rapid advance in the past year," is the prediction of McLeod, Young, Weir and Company.

"Money is growing steadily easier in the world's great money markets," says this analysis which continues:

The New York market for high grade, long-termed Canadian bonds is now on approximately a 5 per cent. basis. The Canadian market for this class of bond is now on approximately a 5.30 per cent. basis. On a twenty-year 5 per cent. bond this price discrepancy amount to 3.67 points.

We have seen that the New York market for Canadians cannot decline in the face of easier money. This means that new Canadian financing of any considerable magnitude will go to New York, until the scarcity of bonds in Canada brings the Canadian market up to the New York level. In other words, the Canadian market must sell up to the New York market level. The mountain will not come to Mohammed; hence Mohammed must go to the mountain.

TRUST COMPANY FUNDS

The quarterly statement of Ontario trust company investments, and the securities allotted against them, prepared by the department of insurance of the province, shows the following:

	March 31, 1922,	Dec. 31, 1921
Trust deposits	$ 5,537,967	$ 5,970,716
Specific guaranteed investments	18,754,602	17,776,342
General guaranteed investments	7,606,522	8,355,592
Total	$31,899,087	$32,102,651
The above were allocated as follows:		
Cash	$ 778,299	$ 516,127
Dominion and provincial bonds	1,597,137	1,508,013
U.K. bonds	365,006	340,765
Can. municip. bonds	2,015,754	1,790,451
West. school bond	1,637,748	1,645,904
Real estate mortg.	21,758,702	21,976,68
Demand loans	1,503,173	1,355,329
Other securities	2,253,267	2,285,493
Total cash, securities, loans	$31,899,087	$32,102,651

Calgary Changes Plan of Sinking Fund Levies

From Our Own Correspondent

CALGARY.—By a decision of the Alberta Public Utility Commission, Calgary will be enabled to proceed with a new sinking fund payment scheme for the 1922 tax levy, by which it hopes to reduce its tax rate by about two mills. Calgary is thus the first city to take advantage of the new legislation passed at the last session, amending the city charters of Edmonton, Calgary, and Lethbridge so that those muncipalities may make payments into their sinking funds for the retirement of bonds, based on the life of the assets for which the bonds were issued, rather than on the term of the bonds as at present. The difference between the two payments is to be made up at the end of each year by the deposit of new bonds in the sinking fund, dated at the time of deposit. The scheme involves a strict scrutiny of the civic assets, which in the case of Calgary is now in process.

TENDERS AND BY-LAWS

TENDERS WANTED

May 18, Prince George, B.C.—$44,000 6 per cent., 10 and 15 years. D. G. Tate, city clerk and treasurer.

May 18, Hawkebury—$82,720, 6 per cent. serial debentures, due 1921-1920. J. O. Bertrand, clerk-treas., Hawkebury. (See announcement on page 16.)

May 18, East Angus, Que.—$111,000, 6 per cent. 30-year bonds. J. Alfred Girard, sec.-treas, East Angus. (See announcement on page 16,)

May 19, Guelph.—$38,852 5½ per cent. 20-year debentures. H. J. B. Leadley, city clerk, Guelph. (See announcement on page 16.)

May 15, Township of Ancaster.—$40,000 5½ per cent. 20-year debentures. C. E. Reinke, township treasurer, Ancaster, Ont.

May 29, Village of Point Edward.—$17,200 6 per cent. 20-year housing debentures. David Suhler, clerk, village of Point Edward. (See announcement on page 16.)

May 22, Vernon—$37,000 6%, 15 year electric light extension debentures. J. G. Edwards, City Clerk.

DEBENTURE NOTES

Windsor.—The City Council has authorized the city clerk to advertise for bids of more than $1,250,000 worth of debentures, one of the largest blocks ever marketed by the city. The issue is composed of the following: Technical School, $666,666; Hydro-Electric System extension, $300,000; municipal housing, $20,000; public schools, $65,738.30; street flusher, $12,000; street lighting, $10,535.76.

TAX IMPROVEMENTS IS ADVICE TO VICTORIA

Dr. Adam Shortt Makes Preliminary Recommendations To Single Tax City

From Our Own Correspondent

VICTORIA.—Although Dr. Adam Shortt, Federal economic expert, has not yet completed his report on the city's financial situation, he recently made a preliminary verbal report in which he advised the city council to take the following action:

1. Extend the present basis of city taxation to include a levy on improvements and possibly on income.
2. Encourage land owners to redeem or hold their property by giving them fifteen years in which to pay up taxation arrears—this to apply to owners who are now paying up arrears under the ten-year instalment plan.
3. Finance this extension scheme by the issue of serial bonds.
4. Collect city taxes in monthly payments just as telephone and electric light charges are collected.
5. Start the city's financial year May 1, so as to give new Council members an opportunity to adjust themselves to city affairs before deciding annual financial policies.
6. Issue serial bonds instead of creating sinking funds to meet maturing obligations.
7. Levy taxes each year to cover the deficits of the previous year.
8. Include in the annual estimates contingency funds to cover the anticipated shortages in tax collections instead of allowing shortages to occur and accumulate year by year.
9. Rate at their actual value the tax arrears of the city instead of writing them on the books as assets worth one hundred cents on the dollar.

No More "Uncontrollable" Items In Expenditures

Attention is called by the Toronto Bureau of Municipal Research to new developments in the manner of presenting the estimates of the City of Toronto which must merit the approval of students of sound civic finance. For the first time the summaries of expenditures of the city omit the word "controllable" and "uncontrollable." For the first time also the revenues and expenditures of publicly owned utilities are not regarded as revenues and expenditures of the city. Only deficits or surpluses on operation are considered, the former as expenditures of the city and the latter as revenues. "Contra" items—expenditures that exactly balance certain revenues received from outside bodies to cover those expenditures—have also been omitted from the city's expenditures.

NEW BRUNSWICK HAS WEEK'S BIGGEST SALE

Fewer Municipal Issues Are Recorded—Good Prices Being Received

Municipal bonds have not been coming on the market in very large amounts and there is only a small floating supply of available issues. This has been to some extent responsible for the good prices that municipalities have been getting. It is indeed an evidence of strength in the bond market when a town like Mimico, which does not rank in the forefront of Ontario municipalities is able to sell its securities at a cost basis of 5.63 per cent. as it did this week.

New Brunswick has sold $2,300,000 of bonds in the New York market. There were two blocks of the bonds $1,500,000 of 5½ per cent. 17 year bonds sold at 102.11 and (New York funds) $800,000 of 5 per cent. 40 instalment bonds at 99.255 (Canadian funds). The Dominion Securities Corporation and Dillon, Read and Co. were the purchasers. The following bids were received and it will be observed that a variety of alternative offers were made:

St. Thomas Sells Issue

St. Thomas, Ont., sold $258,485 6 per cent. 10 and 15 year bonds to A. E. Ames and Co. at 102.58. The tenders received were:

A. E. Ames & Co.	102.48
McLeod, Young, Weir & Co.	101.80
Wood, Gundy & Co.	101.54
Gairdner, Clarke & Co.	101.41
Harris, Forbes & Co.	101.37
Municipal Bankers Corp.	101.21
National City Co.	101.19
A. Jarvis & Co.	101.04
R. C. Matthews & Co.	100.75
Dominion Securities Corp.	100.55

Mimico's Sold at 5.63

Mimico disposed of $98,000 of 6 per cent. 20 and 30 year bonds to Gairdner, Clarke and Co. at 102.892, a basis of 5.63 per cent. The tenders received were:

Gairdner, Clarke & Co.	102.892
Municipal Bankers Corp.	102.84
C. H. Burgess & Co.	101.10
Wood, Gundy	100.89
R. C. Matthews	100.37

Moncton, N. B., sold $196,000 of 5½ per cent. fifteen year bonds to McLeod, Young, Weir and Co. and Thomas, Armstrong and Bell at a price, at which the cost to the city worked out at about 5.60. per cent.

Town of Perth has sold to Tom Farmer of that city $5,800 of bonds. All bear 6 per cent. and $875 mature in 20 instalments and $4,924 in 30 instalments.

	$1,500,000 Payable N. Y. and Canada 5 p.c.	5½ p.c.	$800,000 Payable N.Y. and Canada, Fredericton payment and delivery 5 p.c.	5½ p.c.
Dominion Securities Corp., Dillon, Read & Co.	97.519	102.11	99.255	103.686
Clarke. Williams & Co.	96.533	101.753	*96.573	*102.283
R. C. Matthews & Co., First National Co., Dtroit, Halsey, Stuart & Co.	95.81	101.43	96.55	102.88
Ames & Co., Bankers Trust, National City Co.	96.31	100.69	97.512	102.138
Seattle National Bank, Carstons & Earles, Stacy & Brown, Ferris & Hardgrove, Spokane; Union Trust Co., Spokane	95.63	100.69	96.586	101.977
McLeod, Young, Weir & Co., Kissell, Kinnicutt & Co., Blair & Co.	96.07	100.07	97.45	101.51
Jarvis & Co., Compton & Co., Coffin & Burr	95.836	99.786	97.70	101.50
Eastern Securities Co., Wood Gundy & Co.	95.61	99.64	97.47	101.285
Nesbitt, Thompson & Co., Guaranty Trust Co., Eastabrook & Co.	95.818	99.552	97.185	101.541
R. A. Daly & Co., Lee, Higginson & Co., Spencer, Trask & Co., Warner & Co.	95.775	......	97.16	......
Harris Forbes & Co.	......	......	97.40	......

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 10	Mimico, Ont.	Gairdner, Clarke & Co.	6 %	20 & 30	$98,000	102.892	5.63
May 10	St. Thomas, Ont.	A. E. Ames & Co.	6 %	10 & 15	258,485	102.48	....
May 1	Grand Prairie, Alta	W. R. Alger Corp.	7 %	15 yr.	18,500	91	8.05
May 9	Moncton, N. B.	McLeod, Young, Weir and Thomas, Armstrong & Bell	5½%	15 yr.	196,000		5.60
May 1	Tottenham, Ont.	C. H. Burgess & Co.	6 %		15,000		
		RAILWAY					
May 1	Grand Trunk Western	Dillon, Read & Co.	6 %	1935	1,790,100		
		PROVINCIAL					
May 8	New Brunswick	Dominion Securities, Dillon Read & Co.	5 & 5½%	17 & 40	2,300,000	see above	
		INDUSTRIAL					
May 8	Mercury Mills	Housser, Wood & Co.	6½%	20 yrs.	800,000		
May 10	Wabasso Cotton	Royal Securities Corp.	7 %	20 yrs.	750,000		
May 10	Caron Bros.	Versailles, Vidricaire & Boulais	7 %	12 yrs.	1,250,000		

Tax-Free Bonds vs. Taxable Bonds
Many investors of moderate income own and continue purchasing tax-free Victory Bonds, whereas they might be better off by owning taxable bonds, which sell several points lower and therefore give a better yield.
Entrust us with the facts as to your financial position and we can advise you which issue is the most suitable for your purpose. 28
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Phone Main 6733
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(2) Knowledge of client's requirements.
Each individual has need of personal counsel. Are you selecting your bonds bearing in mind that investing is a science where expert advice is necessary?
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A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.
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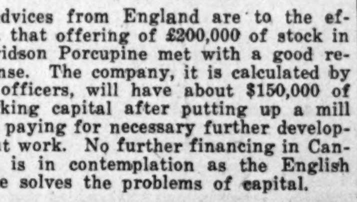


INSURANCE AND REAL ESTATE

HOUSING SCHEME COSTING LONDON A PRETTY PRICE

Losses From $700 to About Double That Amount Sustained

Special Correspondence

LONDON.—The question, should municipal bodies speculate with the people's money? is being most thoroughly answered by the situation which the Housing Commission of London finds itself in to-day.

Heavy losses are being sustained. Houses which would cost close to $4,000 are being disposed of at $3,100 and $3,300 plus selling commission. Houses which cost anywhere from $5,000 to $5,900 are being disposed of at around $4,600 and the buyers are coming slow.

There are those who declare that the total loss of the city will run to a mill on the dollar. Others say that the city will break even, because it had considerable vacant property to sell. The facts are that to-day there is a heavy loss being sustained and every house that is sold is adding to this loss, while the experience is also, that the longer the sales are delayed, the heavier the loss will be.

How Losses were Made

There was quite a rumpus in civic circles when the housing commission proposed to speculate on some houses. Some seventy odd houses were erected. A dozen on Beatrice Street sold well. On Garfield Ave. 17 houses were erected costing between $5,000 and $5,900. These received a poor reception and over half of them are still on the commission's hands. This despite the fact that there has been two cuts in the selling price. As a last resort, the commission has decided to rent the houses on a yearly lease and thus in a measure keep down further losses.

On Pine Lawn 42 houses were erected. They were four and five roomed Stucco and frames. Twenty-two were sold and then matters rested. The commission cut the price. Even then sales did not come up to expectation. Then some of the other purchasers found that it would pay them to abandon their original purchase and repurchase at the cut price. They would save money. The commission as a way out, offered to cut the price on the original purchases to the new selling price to all those who paid up to date. This added more to the losses.

The hope of the commissioners is based on 106 vacant lots on hand, the balance of the Pine Lawn survey. These are being sold at $7 per foot and it is believed that when all are sold it will net the city a fair profit on the transaction.

As matters now stand, it is figured that the loss of the city to-day is close to $40,000 on the actual cut on the price to which would be added overhead such as insurance, interest and other incidentals which in themselves total quite a sum.

For houses built on the individual loan the city has done well. There were a couple of hundred of these and only about a dozen gave the commission trouble.

200 Year Old Company Has Notable History

When the London Assurance Company moved into its new offices in London recently, it was recalled that its charter was granted in 1720, in the sixth year of George 1st, just after the wars with William III. Since that time the company has grown to one of the leading commercial bodies in the world. The London Financier in a recent issue gave a short outline of the company's history which is produced in part below:

At its birth over two centuries ago the prospects of the London Assurance were anything but brilliant. Insurance in all its forms was regarded by the majority of serious people as a breach of the Biblical law against usury. Others recognised it with contempt as a mere form of gambling. And when it had conquered these prejudices and had proved its morality as well as its utility, it still had to fight ignorance, and to labor for generations in devising the scientific and fair methods by which it now works.

To aggravate the difficulties which beset all enterprises of a new character, the first year of the London Assurance Corporation's activity was marked by one of the most terrible disasters that have ever befallen commerce, the bursting of the South Sea Bubble here and of Law's schemes in Paris. For some ten years previously the commercial circles of France and Great Britain had been gambling in the wildest speculations, and the inevitable result now came suddenly. Within a period of eight months the shares of the London Assurance were sold at £160 and were unsaleable at any price; and the Government of the day, though itself in sore straits, had to forgive it one-half of a debt of £300,000 that was indisputably due from it for the grant of the charter—a charter that was extended to give authority to the corporation to assure houses and goods for fire losses.

Stockholders of Libby, McNeil & Libby at special meeting vote to reduce common stock from $27,000,00 to $6,750,000 and to authorize issue of preferred stock in amount of $25,000,000, which action was taken in view of 1921 operating loss of $22,000,000.

THE LABOR SITUATION

An Improvement Noted As Season Advances

From Our Own Correspondent

OTTAWA.—The current issue of the Labor Gazette reports the percentage of unemployment as 10.6 as compared with 13.9 in February and 16.1 at the beginning of March, 1921. Conditions in Nova Scotia and Quebec especially snow improvement. New Brunswick and Manitoba are the only provinces to report more unemployment but a very much more favorable situation was reported in British Columbia. The increase in manufacturing industries was partly due to greater activity among garment and iron and steel workers. Coal miners in Nova Scotia were busier but asbestos miners in Quebec and quarry workers in Nova Scotia recorded a more unfavorable situation. There was less unemployment in the building and construction group with 29.2 per cent. of the members of 218 trades unions reporting as unemployed compared with 32.8 per cent. in February, and 31.4 per cent. in March of last year.

Taxed on Income While a Visitor in States

Coming to the United States for a pleasure trip, and casually spending nearly a quarter of a million dollars for machinery for his newspaper, Ralph D. Blumenfeld, editor of Lord Beaverbrook's London Daily Express, and part owner of Town and Country, published in London, may have to pay the United States Government an income tax of $93.50, according to the Fourth Estate. It fell to Mr. Blumenfeld's lot to be the first person to get front page notice as a result of the new law which passed Congress a short time ago, allowing no distinction between foreigners who come to this country to sell goods and those who come to make purchases. The visiting editor happened to be the first foreign visitor of prominence to run afoul of the new regulation.

Mr. Blumenfeld came to the United States three weeks ago for a pleasure trip, visiting relatives in the west and visiting newspaper machinery plants. In preparing to return to London last Friday he visited the Custom House at New York to get his sailing permit. Here he was brought into contact with the income tax laws when a government official informed him that, because he had purchased machinery while here, he owed the United States an income tax of $93.50, which was computed on the basis of a salary of $17,000.

Mr. Blumenfeld refused to pay, but was allowed his sailing permit, and he sailed last Saturday on the Homeric, after the New York correspondent of the London Daily Express assured the government officials that the tax would be paid if the Attorney General of the United States found that the editor really was indebted to the government.

Each case similar to that of Mr. Blumenfeld's is taken up with the Attorney General and decided upon its merits, The Fourth Estate was informed.

"When I saw an official and applied for a permit to leave on the Homeric," said Mr. Blumenfeld, in relating his experience, "he asked me how long I had been here, and I told him three weeks."

Questions and answers, Mr. Blumenfeld said, were about as follows:

"What was the object of your visit?"

"Pleasure—visiting old friends."

"Did you do any business here?"

"Well, I purchased between $220,000 and $225,000 worth of machinery."

"Ah, that comes under the heading of service—you have made money here. What is your salary?"

"I do not have a salary."

"Well, what do you earn a year? What are you?"

"I am part owner of Town and Country and Chairman of the Directors and editor of the London Daily Express."

Then the official said, "I shall put you down at $20,000 a year."

"If you like," Mr. Blumenfeld replied. The official did some figuring and announced, "I have put you dow at $17,000 a year income, and as you have been here three weeks your income tax will be $93.50." This Mr. Blumenfeld declined to pay.

"He admitted that if I had not bought the machinery, I should not have had to pay anything," said the editor. "I received my permit to go on the Homeric after my correspondent had agreed in writing to be responsible for the sum demanded."

Cable from London states British shipping lines in Liverpool have no intention of engaging in a rate war in trans-Atlantic routes. If rate war ensues it will be because the Shipping Boards desire to capture trade by force which British ship owners by their enterprise have won in the past.

ONLY AUTHORIZED INVESTMENTS ARE TO BE ACCEPTED

Dominion Superintendent Introducing Radical Changes

At the present time there are two very important amendments to the trust and loan companies acts before the Finance Committee at Ottawa. Both of these acts have had their second reading. As they will have an important bearing on the trust loan companies, representatives of both have appointed committees to consider them.

Perhaps the most important feature of the amendment to the trust companies act is that dealing with the deposits held in trust and that dealing with the authorization of investments by the Dominion superintendent. In the first case the act reads "a trust company may receive money on deposit in trust and allow interest thereon from the time of deposit at such rate as may be agreed on." Then section 63 of act says that the company shall invest trust money in stocks, debentures and securities guaranteed by the Dominion government, provinces, United Kingdom and the United States or authorized investments.

These authorized investments will be the only ones allowed as assets as outlined by this act. The superintendent will be able to make any correction in annual statements as he may see fit and any company may be required to dispose of and realize on unauthorized investments. Directors will, (with a proviso attached) be held liable for any deficiencies that may arise through this action.

Loan Company Amendments

In this amendment one of the most important sections deals with deposits and the limit of amount to be held. One clause of this section deals with the reserves to be maintained in cash, securities, loans, credits and to an aggregate of at least 25 per cent. of the amount deposited. As in the amendment dealing with loan companies there will be no loans to the directors or to their immediate families. Nor will a company lend any money with vacant land as security.

UNDERWRITERS HAVE GROWN CAUTIOUS

Many Poor Fire Risks Are Going the Rounds of Brokerage Offices

Insurance agents report that the volume of new fire business at present is very small, and some of it not of a very desirable character. It is difficult for offices to get good new accounts and the brokers feel that they must give their few desirable risks to the companies who have been helping them out during the dull period.

Inquiry has brought out the fact that many offices have tightened up materially in their acceptances. When business became dull two years ago a number of offices apparently undertook to follow their usual underwriting policy and take care of the business of brokers who had been good customers, even though part of this business was known to be less desirable than formerly. It was not expected that the period of heavy losses, due to the moral hazard would last very long. But it has continued and a general tightening of the lines is the result.

Especially Bad Risks

The experience on certain classes of risks, particularly on small risks on those classes owned by persons without satisfactory commercial ratings, has been so bad that companies who do not willingly change their underwriting policies have literally been compelled to establish prohibited lists. Local managers have been going over their lists and dropping many risks at expiration, cancelling some and limiting all "accommodation lines."

There is reason to believe that this tightening up on the part of the underwriters and the better brokers will improve the loss ratio before very long. As it has been pointed out that risks tainted with moral hazard will not burn, but may result in smoke and water damage and often fire damage to other risks that are first class in every other particular. The brokers who control a large amount of good business can get their companies to take some questionable risks as accommodations but when they drop these and other agents take them up they receive scant attention from many of the insurance offices.

DAVIDSON GOLD

Advices from England are to the effect that offering of £200,000 of stock in Davidson Porcupine met with a good response. The company, it is calculated by its officers, will have about $150,000 of working capital after putting up a mill and paying for necessary further development work. No further financing in Canada is in contemplation as the English issue solves the problems of capital.

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses paid since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal,) Ltd.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York,) D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ...$52,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building, Winnipeg.

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The LONDON MUTUAL

FIRE INSURANCE COMPANY of CANADA
Established 1859
FIRE INSURANCE
Automobile Insurance (All Classes)
A. H. Carson, President
F. D. Williams, Vice-President
A Canadian Company
Head Office:
LONDON MUTUAL BUILDING
33 Scott St., Toronto

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg., Toronto, Can.

CANADIAN COTTONS LIMITED

Notice

The Annual General Meeting of the Shareholders of Canadian Cottons, Limited, for the reception of the Annual Report, the election of Directors, and the transaction of general business, will be held at the Head Office of the Company, Mark Fisher Building, Victoria Square, on

MONDAY, THE 22ND MAY, AT 12 O'CLOCK NOON.

By order of the Board.

A. BRUCE, Sec.-Treasurer.

Montreal, May 5th, 1922.

HOME BUILDING MORE ACTIVE IN EASTERN CITIES

An Increase of Nearly $3,000,000 for April

FALLING OFF IN WEST

Little Indication as Yet of Revival of Construction in Industrial or Business Structures

An increase of nearly $3,000,000 in the building permits for twenty-six Eastern cities for the month of April is the outstanding feature of the returns made to THE FINANCIAL POST. In the West there was a decline of nearly $500,000 as compared with a year ago. This left a net gain for all Canadian cities for the month of about $2,500,000. For the four months of the year to date there has been an increase in Eastern cities of $7,000,000 and a decline in western cities of $260,000, making a net gain for all Canada for the period of about $6,750,000.

Toronto is the outstanding city so far as a return of building activity is concerned. For the month of April the city shows an increase of $938,500 as compared with a year ago while York Township, adjoining the city, shows an increase of $463,700. For the year to date, Toronto is up $3,560,000 and York Township $182,300.

Montreal is up $593,000 for the month of April but only $563,000 for the four months. Hamilton is up $300,000 for the month and $410,000 for the year Port Arthur, Windsor, and Ottawa are also making a good showing but Halifax with a decline of $440,000 for April is down $577,500 for the year to date.

In Western Canada, Winnipeg, with an increase of $463,000 for the month is $439,600 higher for the year and Vancouver shows increases of $72,850 and $223,800 respectively. Calgary is a striking example of changed conditions as compared with a year ago. The total for April fell off $825,000 and the total for the year to date is down $792,300. Regina went back $132,000 during the month and is $205,000 lower for the four months.

A review of the permits indicates that the great bulk of the building is still in residences where the cost of labor is not so important as in relation to industrial or business structures upon which a dividend return must be reasonably assured on the capital invested. There are also a number of educational and religious structures being erected where profit on the investments is a secondary consideration.

Vancouver reports a new Oddfellows hall and a school; Regina, alteration to hotel and addition to Young Women's Home; Winnipeg, school, and office building; Stratford, school and school addition, mausoleum, isolation hospital and addition to General Hospital; Sarnia, bakery; Peterborough, Catholic rectory; London, hardware store; Kingston, a factory; Guelph, store; Montreal, three convents and two stores; St. John, school hospital and apartment house.

BUILDING PERMITS ISSUED DURING APRIL

(Eastern Cities)

	Apr., 1922	Apr., 1921	Change	4 months 1922	4 months 1921	Change
Maritimes—						
Halifax	$ 105,563	$ 545,470	—$ 439,907	$ 228,748	$ 806,175	—$ 577,457
Moncton	135,318	68,520	+ 66,798	193,883	114,405	+ 79,478
St. John	134,200	43,200	+ 91,000	217,800	68,200	+ 149,600
Quebec—						
Montreal	2,038,834	1,445,640	+ 593,194	3,752,107	3,188,355	+ 563,752
Quebec	339,776	409,185	— 69,409	655,793	776,390	— 120,597
Westmount ...	138,165	118,785	+ 19,380	224,265	366,360	— 142,095
Ontario—						
Brantford	57,145	44,320	+ 12,825	86,720	124,850	— 38,130
Chatham	61,675	44,475	+ 17,200	80,710	75,925	+ 4,785
Fort William .	51,525	40,675	+ 10,850	69,375	73,600	— 4,225
Galt	19,066	26,150	— 7,084	67,113	44,425	+ 22,688
Guelph	60,505	68,850	— 8,345	117,600	110,281	+ 7,319
Hamilton	731,300	430,200	+ 301,100	1,655,340	1,243,400	+ 411,940
Kingston	67,437	50,509	+ 16,928	84,689	77,534	+ 7,155
London	368,775	246,175	+ 122,600	609,320	503,390	+ 105,930
Ottawa	905,810	593,295	+ 311,885	1,146,615	760,785	+ 385,830
Peterborough .	98,802	69,945	+ 28,857	120,612	89,602	+ 31,010
Port Arthur ..	12,260	24,265	— 12,005	850,036	36,242	+ 813,794
Sarnia	134,602	86,967	+ 47,635	262,704	311,716	— 49,012
Stratford	304,775	38,123	+ 266,652	339,663	61,104	+ 278,559
St. Catharines.	119,334	113,805	+ 5,529	182,056	213,761	— 31,705
St. Thomas ..	30,790	8,555	+ 22,235	61,174	23,850	+ 37,324
Toronto	3,555,790	2,617,269	+ 938,521	9,306,754	5,746,238	+ 3,560,516
Welland	15,720	28,025	— 12,305	42,270	94,795	— 52,525
Windsor	444,495	292,485	+ 152,010	1,616,980	1,245,236	+ 371,744
Woodstock . ..	27,486	24,023	+ 3,463	48,714	39,363	+ 9,351
York Twp. ...	1,521,150	1,057,450	+ 463,700	3,260,350	2,078,050	+ 1,182,300
Total 26 E. cities...	$11,480,298	$ 8,536,991	+$2,943,307	$25,281,391	$18,274,032	+$7,007,359
(Western Cities)						
Manitoba—						
St. Boniface ..	$ 61,235	$ 17,430	+$ 43,805	$ 98,249	$ 53,775	+ 44,474
Winnipeg	1,301,250	838,150	+ 463,100	1,692,050	1,252,450	+ 439,600
Alberta—						
Calgary	205,200	1,030,400	— 825,200	475,500	1,267,800	— 792,300
Edmonton . ..	195,525	195,545	— 20	320,375	282,080	+ 38,295
Lethbridge . .	28,580	26,400	+ 2,180	52,440	38,590	+ 13,850
Medicine Hat .	2,145	9,225	— 7,080	6,530	17,600	— 11,070
Saskatchewan—						
Regina	195,855	328,240	— 132,385	268,470	473,715	— 205,245
Saskatoon . .	71,495	30,840	+ 40,655	115,430	63,490	+ 51,940
Weyburn	4,160	15,535	— 11,375	4,610	19,010	— 14,400
Yorkton	8,125	16,650	— 8,525	10,150	21,800	— 11,650
Prince Albert .	25,875	3,350	+ 22,525	49,730	10,005	+ 39,725
Moose Jaw ...	41,605	89,200	— 47,595	61,917	141,005	— 79,088
British Columbia—						
New Westminster	22,725	19,200	+ 3,525	80,250	62,500	+ 17,750
Vancouver . .	364,475	291,626	+ 72,849	1,267,261	1,043,439	+ 223,822
Victoria	85,745	185,966	— 100,221	268,007	284,801	— 16,794
Total 15 W. cities...	$ 2,613,995	$ 3,097,757	—$ 483,762	$ 4,770,969	$ 5,032,060	—$ 261,091
Grand total 41 cities	$14,094,293	$11,634,748	+$2,459,545	$30,052,360	$23,306,092	+$6,746,268

How Henry P. Davison Entered The Financial House of Morgan

(Continued from Page 10)

dramatic incident and of the teller's self-possession. The directors of the Liberty National Bank happened to have a meeting that day and the holdup was mentioned.

"I know that young fellow," said Dumont Clarke, a director of the bank. "He would be a good man to have in the bank."

Mr. Clarke had met Davison once or twice when the latter visited his fiancee (Miss Kate Trubee of Bridgeport) while she was spending a vacation with her friend, Mr. Clarke's daughter.

Forthwith Mr. Davison was installed as assistant cashier of the Liberty. Within a year he was made cashier, three years later he was elected vice-president, and in another year president. His rise was so rapid that it attracted general attention. New York financial annals had contained few if any instances of a man of 32 being chosen as president of an important national bank solely on merit and without influence of any kind whatsoever.

Ruts were and are avoided by Davison, for ruts are graves in the making. He was not long with the Liberty when he did something original. It is told that when he joined the bank he procured a full list of the stockholders, mostly business men, visited each and delivered this sort of exhortation:

"You own .... shares of the Liberty National Bank. Of course you would like to see them become more valuable. Well, now, won't you try to induce some of your friends to do business with us? We will treat them right—and the increased business will mean increased dividends."

Laggard stockholders were re-visited until nearly all were inoculated with the Davison spirit of enthusiasm. It became something of a sporting contest, this competition among stockholders to bring in the largest possible amount of new business.

Such intelligent initiative impressed the bank's owners—and helped the institution to grow at a rate which excited comment. It soon outgrew its quarters in the Central of New Jersey building in West Street and more pretentious, as well as more central, offices were opened at 139 Broadway. The old lease had two years to run and Mr. Davison preferred to keep the place closed lest a new concern might open there and fall heir to much of the Liberty's custom. Empty offices, however, being detrimental to a building, the owners brought pressure to bear upon Mr. Davison to agree to the subletting of the space.

Mr. Davison felt strongly, however, about the danger of a new bank taking the customers before they had learned to find the way to 139 Broadway. What could be done about it?

One of the most brilliant ideas of his life flashed into his mind, an idea that was destined to raise Davison's prestige and influence extraordinarily, as well as to help out his bank account, which then was a long way from six figures.

"I'll organize a trust company. Our capital will be safe and we ought to earn at least 6 per cent. It will make a good tenant for the Liberty's old building and it will afford some of us pleasant associations," was the plan he mapped out.

The bankers and others to whom he outlined the plan became so enthusiastic that the capital of $1,000,000 was quoted at $200 per share before the doors were opened. It is known, however, that the originator of the enterprize refused all suggestions that he take a larger share than the other directors. Each was awarded exactly the same amount of stock, a procedure that enhanced Mr. Davison's reputation for scrupulous fairness. The name given Mr. Davison's financial child was the Banker's Trust Company. To-day it owns and occupies the most notable financial skyscraper in Wall Street, has total deposits of approximately $300,000,000 making it the second largest trust company in America. Mr. Davison, naturally, was made chairman of the executive committee, which position he has held ever since. A tablet erected in the magnificient building contains this tribute to the founder:

THE DIRECTORS OF THE BANKERS' TRUST COMPANY HERE RECORD THEIR APPRECIATION OF THE SERVICES OF HENRY POMEROY DAVISON IN THE ORGANIZATION AND UPBUILDING OF THE COMPANY AND THE ERECTION OF ITS PERMANENT HOME.

Contrary to the impression sought to be conveyed by the Pujo Committee investigators, the Bankers' Trust was not built up by an oligarchy of New York's leading financiers. It was a young men's enterprise. Such enthusiasts as Albert H. Wiggin, Gates W. McGarrah, Benjamin Strong, Jr., and Davison, not veterans who had "arrived," were chosen for the executive committee and worked nights patiently, zealously, skilfully, unsparingly, to win the success which was rapidly achieved. The experience broadened all of them.

George F. Baker, the veteran head of the First National Bank and a financier ranking in power second only to his closest friend, the late J. P. Morgan, did not fail to note the calibre of this resourceful young banker, and in 1902 he induced Mr. Davison—then only 35 years of age—to become his right-hand man as vice-president of the First National.

It was Mr. Davison's work during the 1907 panic that first brought him prominently to the attention of Commander-in-chief Morgan. At Mr. Morgan's request he was on hand at all the important conferences held uptown and downtown during the dark days of October and November. In the following spring Senator Aldrich appointed him an adviser to the National Monetary Commission to investigate the financial system of Europe.

"Homestaying youths have ever homely wits," said Shakespeare. Davison is not open to his charge. He has enjoyed unique international experiences. First, as an adviser to the National Monetary Commission, he visited Europe and there met the Finance Ministers and other leading banking powers in England, France, Germany, and other European countries, discussing with them the very foundations of finance, banking and currency, a privilege of rare value to a banker under 40 years of age and quick to seize every opportunity to enhance his knowledge and his usefulness. Next, when the Six-Power Chinese Loan was bruited, Washington, then presided over by Taft and Knox, asked a group of American bankers to join it in order to strengthen America's position in the Orient, and more particularly to enable this country to have a potent voice in insisting upon the maintenance of Secretary Hay's famous "Open-Door" policy for China. It was Henry P. Davison, by this time a member of the Morgan firm, who was selected to proceed to Europe and conduct the negotiations on behalf of the American group, consisting of Morgan & Co., Kuhn, Loeb & Co., the National City Bank and the First National Bank. Not only that; it was Davison who was chosen by the British, French, German, Russian, and Japanese delegates to become chairman of the whole group.

The protracted negotiations entailed several visits to Europe and long stays there, affording the young American an insight into the European finance that equipped him, as nothing else could, as a real international banker.

That the negotiations came to naught was largely due to the attitude assumed by the Wilson administration, which frowned on "Dollar Diplomacy." Since then the Administration has changed its attitude and is now anxious that American bankers should extend aid to China.

The wisdom of Mr. Morgan's choice of Mr. Davison as a partner needs no descriptive words; financial history bears record that the greatest banker America has ever known found in Henry P. Davison the greatest partner he ever had.

Not the least valuable of Mr. Davisson's achievemente has been has untrumpeted endeavours to bring about a spirit of greater friendliness and co-operation throughout the banking community. His own openness and frankness have encouraged others to adopt a like attitude in their daily dealings with one another and the public. His organization of the Bankers' Trust Company contributed toward this end by bringing many bankers together in a friendly way. The improvement which has been brought about in the exchange of credit information is one fruit of this new and better live-and let-live policy.

Davison, blessed with fine physique and an engaging countenance, is both likeable and liked, by employees as well as by other bankers. He does not know how to dissemble—not even when bombarded by awkward, not-to-be answered queries by prying reporters. He goes at everything directly. He has confidence not only in himself but in men that he picks—he has often helped institutions to find important officers and has not hesitated to acept entire responsibility for his judgment in making selections. He is a man of courage, unafraid to face difficult situations, since originality, resourcefulness, and diplomacy can overcome most obstacles.

"In climbing the ladder of success what have you learned that you could pass on to aid other struggling young men?" I asked Mr. Davison. "Did you conceive any shining goal and bend everything in reaching it?"

"No," he replied emphatically. "Whatever job I had was to me always the best job in the world, and I tried to fill it. I made no deliberate plans for the future. If I had any system in my labor it was first to do my own work; second, to teach the fellow below me how to take my place; third, to learn how to fill the position ahead of me.

"Boys and young men should not imagine that their work is so unimportant that nobody takes note of how they do it. It does not take long to find out whether a boy is on his toes watching how he can best be of help in a situation or whether he merely sits down and waits to be told what to do. The simple virtues of willingness, readiness alertness, and courtesy will carry a boy farther than mere smartness.

"Perhaps it would not be out of place for me to describe an incident which may carry a lesson for the young men you are anxious to help. One day when I was teller, a customer offered me a very fine gold pen. I went right into the office and asked if this man had any loan from the bank. I explained that he had asked me to accept the gift. The bank promptly acted and it was not long before the fellow was in bankruptcy. The simple course I took saved the bank a good deal of money.

"Following a plain, straightforward course avoids complications of all sorts. Life is really simple. If it becomes complicated it is because we ourselves make it complicated."

The American Government, through President Wilson, recently signified its regard to Mr. Davison's transcendant ability by appointing him Chairman of the Red Cross War Council, one of the most important and onerous positions in the whole country, for on the Red Cross devolves the vast, complicated task of relieving "the suffering and distress which must inevitably arise, out of this fight for humanity and democracy," to quote President Wilson's words. The hand of a master at the helm at once become manifest. The Society immediately undertook the reorganization and concentration of all Red Cross and similar efforts throughout the country, co-ordinated the activities of multitudinous smaller bodies, stirred up public interest and launched a brilliant campaign for the raising of $100,000,000, an unpredecented undertaking. Yet so ably was the movement conducted that the goal of $100,000,000 was passed handsomely.

F. Trubee Davison, one of Mr. Davison's sons, with a foresight worthy of his father, organized a flying corps of young college men to train as the First New York unit of the Aerial Coast Patrol and became an expert hydroaeroplanist before he met with a lamentable accident, in July, 1917, while in active performance of his duties in the air. Harry P. Davison, Jr., began serving with the American Ambulance Corps in France before war was declared by the United States but he later returned and joined the more dangerous aviation service. Both became active members of the Naval Reserve Flying Corps. Mrs. Davison has set an example to other American mothers by the brave and patriotic attitude she has taken throughout the campaign. The expense of training the collegiate fliers was borne by her, and she has also maintained an active aviation camp at her summer home.

Although Mr. Davison was never a star at any games or sports, he contrives to get a good deal of exercise and pleasure. He plays a swift game of tennis, rides horseback, and is at home aboard his yacht, which in the summer takes him to business in the morning and back in the afternoon to his beautiful home on Long Island, where under normal conditions he spends much time. Since America entered the war, Mr. Davison has taken up residence in Washington, where he spends all his time.

For years Mr. Davison was president of the hospital at Englewood, N.J., where he used to live, and he has always done a lot of active Red Cross work. He has also done much, his friends declare in helping young men to help themselves. He is entitled to write "Dr." in front of his name, having received the degree of LL.D. from the University of Pennsylvania. He is also a Knight of the Order of the Crown of Italy.

Recently he was given the military rank of Major-General in connection with his Red Cross governmental office.

Success has not spoiled General Davison. He is as democratic in spirit as in the days when he rode his wheel through ten miles of crowded streets to save ten cents car fare daily.

RAILWAY CRISIS BY INTERFERENCE OF GOVERNMENT

(Continued from Page 1)

wise is to set aside the events of 1903. Who has forgotten the partisan character of the debate which took place in Parliament when the Grand Trunk Pacific was projected? Who can forget the stand taken by the late Hon. A. G. Blair? Who can shut from his mind the heroic sacrifice which the Minister of Railways of that day made rather than follow his party in the support of a measure which he held to be fraught with the greatest danger to the country? If anybody has forgotten, let him read Mr. Blair's famous speech. He will find that it bears the unmistakable stamp of prophecy.

It may suit the advocates of public ownership, who have espoused a mere theory, to say that corporate ownership broke down in the case of the Canadian Northern and the Grand Trunk Pacific; but to do so they must close their eyes to the plain teaching of history. The Canadian Northern and Grand Trunk Pacific were corporations merely in name. In fact they were publicly owned. The proof of that ownership is to be found not only in what occurred before they collapsed but most convincingly by what occurred afterward. Had they been corporations in the sense that the Canadian Pacific is a corporation, they could never have passed the tentative stage of existence. They could not have got the money to go ahead, any more than could the Hudson Bay, because they were unsound as railway propositions and hopeless from the start. If anybody doubts that let him read the Drayton-Acworth report.

IT NEVER HAPPENED HERE.

Sault Ste. Marie Star.

If you ever had the idea that the Sault hasn't got as good an electric service as the much-touted Hydro, just cast your eyes over this from the St. Thomas Times-Journal of Monday, April 3rd:

This issue of The Times-Journal is the first published since Thursday evening, March 30, when, about 5.30 p.m., the Hydro Electric power was suspended by a severe rain, sleet and ice storm in Southwestern Ontario. Service was not resumed until Sunday afternoon, April 2, about 5 o'clock. This notice is given in order to advise readers that The Times-Journal, owing to the unprecedented conditions, was not able to operate its plant on Friday and Saturday last.

The Sault has at least as rough weather conditions as St. Thomas, too.

Century Coal Company

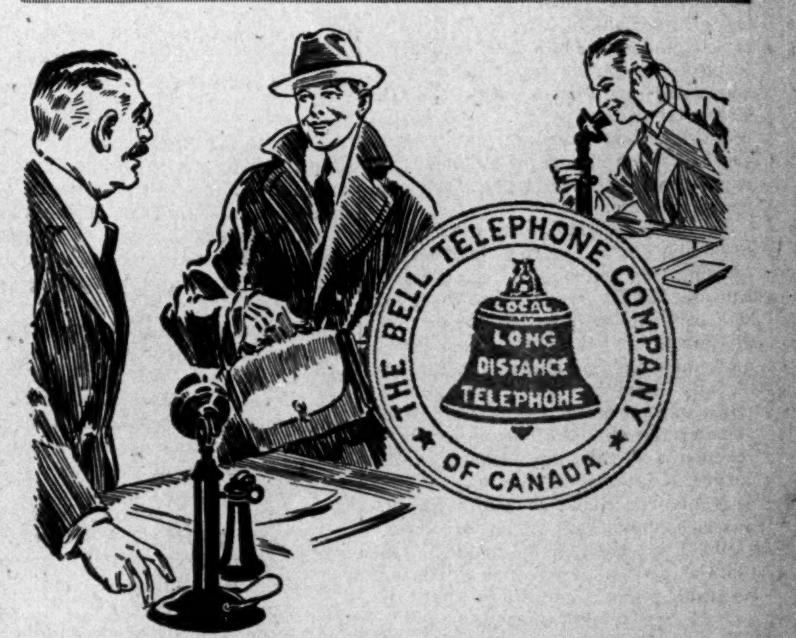
LIMITED

Imperial Bank Bldg.,

Montreal, Que.

COAL

TELEPHONE MAIN 7300



No Disappointments in Appointments

If You Use Long Distance

If you are a Salesman or a Buyer, why gamble valuable time and the cost of railroad fares that the party you wish to see will be in when you call on him?

The high cost of personal interviews is materially reduced and many more calls can be made per day if you make a definite appointment by Long Distance.

Avoiding disappointments by making appointments over Long Distance is one of the most profitable uses Salesmen can make of it. ALMY'S, a leading Montreal Department store, tell us their buyers always call up manufacturers before leaving town to call on them, to make sure their trip will not be in vain.

Station-to-Station rates reduce the cost of telephoning, and if you can telephone after 8.30 P.M.—to a man's home, perhaps — the evening rates are only about one-half the cost of day-time messages.

Every Bell Telephone is a Long Distance Station

The Monthly Cheque

That Never Fails

How the Money was Lost

"You see I had only a few thousand dollars left after the estate was settled—

and my brother borrowed some to help him along; of course *that* went and then—

I simply *had* to help father with his business, he was so worried—

and I thought it best to invest something in real estate at once. Well, *that* failed—

and, really, if it were not for the monthly income cheque from the Canada Life I don't know how I should be getting along now."

It is all so simple and effective!

Just a few dollars set aside regularly, and the Canada Life will guarantee to your home a continuous monthly income.

What a relief to know that no matter what may happen, the monthly cheque that never fails, issued regularly by the Canada Life, will come to *your* home!

Your present Life Insurance will no doubt "clear the mortgage," pay off the obligations of your estate, and leave something for your family, but

Consider This:

In addition to a "lump sum" of money, you should provide a definite *income* that cannot fail.

A weekly or monthly income is the natural thing for most people.

A woman can keep a family together on even a small income, provided it is *regular*.

Financial problems should not be thrust upon a woman who is not used to business deals.

The hands of unscrupulous men are always outstretched for money held by the unwary.

The Monthly Income Plan

You will be surprised to learn what a reasonable proposition can be made to you; how only a few dollars saved and set aside from your regular earnings can be multiplied into a substantial income for your Beneficiary.

Ask for Particulars

Canada Life

Head Office

TORONTO

Canada

FILL UP — CUT OFF — MAIL TODAY

Canada Life Assurance Company,

12

MANUFACTURERS FACE PROBLEMS IN EXPORT TRADE

Lloyd Harris Gives Candid Pointers to Export Club

KEEP OFF TARIFF

Advises Canadian Manufacturers to Turn Their Attention to Development Along Scientific Lines

No Canadian manufacturer has had better opportunities for studying in a practical way the problems of export trade and no Canadian manufacaurer has been closer in touch with trade conditions in Europe than Lloyd Harris and when he spoke before the Export Club in Toronto this week he was more candid than optimistic. Unless conditions greatly altered he did not think that Canadian manufacturers had much chance of cutting their way into European trade for some years to come.

At the same time, he was far from pessimistic, for, in the lack of an opening in the buying markets of Europe, Mr. Harris felt that there are still other fields open for the produce of Canada, and these are in the newer and undeveloped countries which are already buying. As to the general trade situation of the world, the speaker felt that the bottom has been reached and that any change in the future should be in the way of improvement; still, as he put it, the industries should not hope for a very rapid come-back, but should count upon a fairly slow advance which will be stable when it comes.

U. S. "Tariff Mad"

So far as the situation in Canada is concerned, the solution which Mr. Harris offered was that there should be free trade within the Empire, and while he recognized that some of the manufacturers might hold up their hands in fear of that he still believed that such a step would result in throwing open such wide markets to the Canadian industries that they would be able to get at production on the quantity basis, which is so essential before they can compete in the foreign markets.

Canadian Built Railway

As an illustration, he pointed out that Canada is already getting a start in scattered points in the Empire, that being demonstrated by the fact that Canadian material is now building a $75,000,000 railway in the Gold Coast Colony. That seemed to show that Canadian, being given an opportunity, could fill the commercial needs of almost any portion of the Empire. In this connection, Mr. Harris declared that the United States has gone "Tariff mad," and he hoped that Canada would not follow the example. He felt that politicians across the line have made "a most horrible mistake," and, in the hope of saving Canada from copying the United States in this respect, Mr. Harris declared that he proposes to place before the Canadian Manufacturers' Association the suggestion that their chief platfo for the future should be scientific development, and not the tariff.

The business men he added, shoulc go ahead and develop Canada's national resources, instead of waiting for the Government at Ottawa to do it, or waiting for the export trade to come to them. There would be no use asking the Ottawa Government to develop resources, nor could the industries look to the Government to supply the needs of a mercantile marine. The Government, he admitted, has made a start along that line, but the start does not come anywhere near meeting the needs. Another suggestion was that an effort should be made to double Canada's population within the next twenty years. He also found that Hydro deserves encouragement, for he believed it to be the one great single factor of national importance for the generations to come.

TELFER BISCUIT COMPANY

Made $94,921 Net Profit During 1921

The first report of the Telfer Biscuit Company, Limited, to be made public, is for the year ended December 31, 1921, the company having previously been a close corporation. The net profit for the year was $94,921, which was divided as follows; preferred dividends, $16,000; common dividend, $3,630; reserve for plant, $17,571; reserves for automobiles, doubtful accounts and for profit tax $11,712. Transferred to rest account $46,006.

Balance sheet shows total assets of $732,495; quick assets of $310,550 and current liabilities of $212,094. Accounts receivable stand at $154,317 and inventories at $150,443. Plant and equipment are valued at $200,788. Bills payable at $23,000 and accounts payable $57,646; accounts payable to the banks amounts to $131,449 and the reserve account stands at $68,452.

Up to Steamships Directors

(Continued from Page 1)

dent is a director—will not continue to hold a monopoly of the right to sell all space available for the shipment of grain on Canada Steamships fleet from Port Arthur and Fort William. Also that the insurance firm of G. U. Price and Co. does not hold a monopoly in placing insurance, not only on the fleet of this company, but on the grain that is shipped down from the Upper Lakes. Also that the close connection between this company and the International Machinery Co. has ceased insofar as its being affected in the matter of purchases at all events is concerned. Also that if vessels are purchased from any one connected with the Company in future, that not only shall the matter of the assistance of an interest be disclosed, but the actual profit accruing to them on such a transaction.

Retention of Retiring President

So far as the retention of the retiring president in an official capacity is concerned, THE FINANCIAL POST must continue to register its protest against this as against the best interests of the company in its relation to the public. Others have been dropped from the Board, why not these? The generally accepted reason assigned is a dual one: that he is admittedly a skilled transportation man, and, second, that if he were dropped he would start opposition line to Canada "Steamships." As to the first, surely there is one other competent transportation man who could be discovered as his successor—for one would have to be found if Mr. Norcross decided to resign at any time of his own accord. As to the latter, if the "good will" item of $8,000,000 is worth anything tangible, why should the Company fear?

Much has been done towards a clean-up of the situation; why stop at what so many regard as the vital step still remaining to be carried out?

And Now—A Revaluation

The new men endeavoring to solve the problem of putting Canada Steamship Lines on its feet again, have shown courage in tackling another question urged upon them by this paper as an essential step in the re-organization, namely, a re-valuation of the vessels.

It was urged, week after week, by THE FINANCIAL POST that the figures submitted in the prospectus of the last bond issue were inflated, and, therefore, unreliable in setting forth of the assets—the equity behind the bonds.

Comparative figures were quoted, a score or more, indicative of wildly exaggerated estimates of values, particularly in ocean vessels, in the Company's list.

The new balance sheet accompanying the annual report of the Company, and embodied with little change in the new bond issue prospectus, corrobrates in an impressive manner the claims made by THE POST.

One item reads:

DEDUCT AMOUNT WRITTEN OFF
OCEAN VESSELS........ $3,873,595.

Nearly $4,000,000 lopped off!

Incidentally, a goodly portion of this may be credited—or debited—to the IVER HEATH, once purchased from the Company's own directors and others for $2,040,000.

Every new proof of candor on the part of the new board tends to strengthen confidence in them—and in the Company they now control.

And more proofs are to come.

The New Financing of Canada Steamship Lines

From Our Own Correspondent

MONTREAL.—This week there was offered for subscription in Canada the unsold balance of a total issue of $6,000,000 of 20-year first mortgage collateral sinking fund 7% gold bonds of Canada Steamship Lines. This issue replaces the one of last fall but differs in being of 20-year maturity in place of 10-year as was the former, and it was made payable in New York—principal and interest—to accommodate the offering made there to the extent of $4,500,000.

Retiring Former Issue

The former issue has been retired in order to remove its lien on the $8,400,000 collateral of 5% debenture stock. Of this former issue the annual financial statement of the company indicates that it was held as follows:

The Old Issue

Outstanding	$2,542,500
Deposited as security for bank loans	3,289,800
Held in Treasury	167,700
Total	$6,000,000

Of the total of $2,542,500 about $200,000 was distributed to the general public and the balance, it is understood, subscribed by various directors, that is about $2,350,000.

A Little Over $3,000,000 In Cash

The new financing, therefore, in retiring this total of $2,542,500 will leave a balance of a little over $3,000,000 as cash to improve to this extent that the net working capital position of the company.

At Dec. 31, 1921, this was a negative quantity as follows:

Current assets	$5,472,929
Current liabilities	6,306,424
Deficit Work. Cap.	$ 833,495

The statement issued this week as a prospectus with the offering of bonds, thus presents the working capital position:

The New Position

Current assets	$4,389,868
Current liabilities	1,959,985
Bal. Work. Cap.	$2,429,883

A comparison of the individual items, as appears below, indicates what the new financing has accomplished.

What Financing Has Done

It has wiped out bank and other loans of $1,944,318.

It has wiped out bank advances on behalf of associated company of $1,122,839.

It has reduced accounts payable from $2,479,942 to $1,566,965.

It has wiped out war taxes owing of $377,562 and preferred dividends of $218,750.

Thus current liabilities have been reduced from a total of $6,306,424 to $1,959,985, or by $4,346,439.

As to current assets:

Cash is down about $400,000.

Accounts receivable by $357,000.

The total, reduced from $5,472,929 to $4,389,868 or by $1,083,061.

The net difference is:

Deficit (before)	$ 833,495
Surplus (after)	2,429,883
Total improvement working capital	$3,263,388

Current Assets—	After Financing	As at Dec. 31, 1921
Cash	656,668	1,039,323
Acc. rec.	1,005,668	1,362,466
Adjusted losses due	848,475	1,030,165
Insurance and other claims	1,425,725	1,573,689
Inter. rec. accr.	8,255	8,996
Inventories	445,077	458,287
Totals	4,389,868	5,472,929

Current Liabilities—	After Financing	As at Dec. 31, 1921
Bank and other loans	none	1,944,318
Bank adv. on behalf of associated co.	none	1,122,839
Acc payable	1,566,965	2,479,942
Bond interest	15,458	163,010
War tax res.	none	377,562
Pref. div. accr.	none	218,750
Totals	1,959,985	6,306,424
Bal. work. cap.	2,429,883	*833,495

* Deficit.

Funded Debt

	After Financing	As at Dec. 31, 1921
Deb. stock (5%)	5,275,466	5,319,390
7% first mort. collateral bonds	6,000,000	2,542,500
Unsecured notes maturing 1926, 1927	850,000	....
Totals	12,125.466	7,861,890

Fixed Assets

	After Financing	As at Dec. 31, 1921
Vessels	27,313,375	27,311,098
Real estate, docks, etc.	8,388,539	8,384,357
Totals	35,701,914	35,695,455
Less amt. written off ocean vessels		3,873,595
Less deprec. reserve	10,469,056*	6,566,496
Balance, etc.	25,232,858	25,255,363

* Includes both items of depreciation of Dec. 31 statement.

WHAT HAPPENED TO THE FARMER IN PRICE DECLINE

Income Fell 28 Per Cent. Last Year Official Figures Show

A very definite idea of the effect on Canadian farmers of the fall in the prices of farm products during the past eighteen to twenty months can be had from a study of estimates made by the Dominion Statistician of the agricultural revenue and wealth of Canada.

Canada's total agricultural revenue in 1921 is estimated at $1,396,223,000, a decline of 33 per cent. from the 1919 high figure of $2,096,014,000 and of 28 per cent. from the 1920 figure of $1,873,037,000.

The largest decline came about in the value of field crops which dropped from $455,244,000 in 1920 to $931,865,000 in 1921. The revenue from farm animals fell from $143,854,000 to $98,424,000. In only one line of agricultural activity was there an improvement in income. Poultry and eggs brought the farmer $55,000,000 an increase of $15,000,000 for the year and the highest figure on record.

By provinces agricultural income was as follows, in 1920 and 1921:

	1920	1921
P. E. I.	$ 26,376,000	$ 21,431,000
N. S.	64,494,000	44,234,000
N. B.	58,137,000	48,458,000
Quebec	448,802,000	325,291,000
Ontario	600,704,000	441,418,000
Manitoba	164,622,000	100,016,000
Saskatchewan	310,341,000	253,722,000
Alberta	245,042,000	124,512,000
B. C.	43,197,000	37,151,000

The "reason why" for this drastic decline in farm income is seen in the figures of index numbers of agricultural prices. Taking the 1909-1913 average as 100 the comparative 1920 and 1921 index figures for various items are as follows:

	1920	1921
Wheat	234.7%	117.4%
Oats	155.9%	100%
Barley	176.6%	100%
Potatoes	210.8%	167.3%
All field crops	204.9%	147.5%

The gross agricultural wealth of Canada—lands, buildings, implements, livestock, poultry, etc.;—is $6.831,022.

London cable says new capital issues last week aggregated £19,000,000. Total of new securities from beginning of year to middle of April was £348,615,381 against £67,388,095 in corresponding period 1921, and £152,922,745 in 1920.

Town of Hawkesbury

$82,720 SERIAL DEBENTURES

Sealed tenders addressed to Dr. F. J. Pattee, Mayor, will be received by the undersigned until 12 o'clock noon, Thursday, May the 18th, 1922, for the purchase of $82,720 debentures due 1921-1930 and issued for the construction of sewers, sidewalks and pavements in the Town of Hawkesbury.

Full details as to amounts maturing annually and of financial statement of the town will be furnished on application.

The legality of the issues has been approved by Mr. J. B. Clarke, K.C., Toronto, and his favorable opinion will be shown on each debenture.

Denominations wanted to be mentioned by the tenderer.

These debentures are payable at the Bank of Nova Scotia at Hawkesbury, bearing interest at six per centum per annum, payable annually.

The debentures are an obligation of the town at large, are in coupon form with provisions for registration of principal.

These debentures will be ready for delivery on or about the first day of June, 1922.

Tenders will not be received for any part but must be for the entire issues.

A certified cheque payable to the Corporation of the Town of Hawkesbury for 2% of the par value of the debentures tendered must accompany the tender.

The right is reserved to reject any or all of the proposals.

J. O. BERTRAND,
Clerk-Treasurer.

Town Hall, Hawkesbury, Ont.

WE OFFER

Sterling Trusts Corporation

CAPITAL STOCK

Jackson, Norton & Company
Investment Bankers
23 Melinda St. Toronto

FIDUCIARY
means Trustee, Steady, Trustworthy, Firm, Confident, Unwavering.
(See Standard Dictionary)

As your Trustee, Executor or Agent, see—

THE STERLING TRUSTS CORPORATION
10-12 King Street E., Toronto

TENDERS WANTED

City of Guelph

5 1-2 per cent. debentures $38,852

Interest coupons payable yearly on June 30
Debentures mature in 20 years on June 30, 1942

Tenders for the above will be received up to 5 o'clock p.m. on May 19, 1922.

H. J. B. Leadley,
City Clerk,
Guelph, Ontario

TENDERS.

Sealed Tenders, marked "Tenders," will be received at the Office of the Secretary-Treasurer of the Town of East Angus, Que., until 7 o'clock p.m., May the 18th, 1922, for the sale of $110,000 of bonds bearing 6% interest payable in 30 years; interest semi-annually, payable at La Banque Nationale, Quebec, Montreal and East Angus. An accepted check equal to 1% will be required with each tender. No tenders necessarily accepted. For all information address to

J. ALFRED GIRARD,
Secrétaire-Trésorier,
East Angus.

Village of Point Edward

$17,200 Housing Debentures

Tenders will be received up to 8 p.m., May 29th, 1922, for the purchase of $17,200.00 Housing Debentures bearing interest at 6% payable semi-annually, debentures to be issued in sums of $100.00 or more or in any way suitable to purchaser, to run 20 years. These debentures are guaranteed by the Ontario Government as to payment. All tenders should be addressed to David Suhler, Clerk, Point Edward, Ont.

"It's The Best Investment I Ever Made"

"I have bought securities and dealt in real estate and put my money in several 'sure things,'" said this business man, "but I made the best investment of all when I bought an Overland.

"That car pays the biggest dividends in health, thrift and happiness. The whole family benefit from its use. It is an ever-willing general servant — ready for every errand and costing very little indeed for upkeep."

Four dollars a week (see the figures below) is the average outlay of the Overland driver for 100 miles of comfortable motoring. And the pleasure it gives is incalculable. The Overland saves time and money, too, in trips to and from the city. It gives easily 25 miles to the gallon of gas and upwards of 6,500 miles to the set of tires.

Let us give you a trial ride. No obligation. We want you to see for yourself the outstanding value of the Overland, completely equipped, at to-day's exceptionally low prices.

Average Outlay for 100 Miles Driving

Overland

Gasoline (4 gallons)	$1.46
Oil (1 pint)	.25
Distilled Water, Grease	.08
Tires	1.00
Incidentals	1.21
Total	$4.00

Toronto Branch Willys-Overland Limited One Hundred Richmond W.

St. Clair Showrooms, 900 St. Clair Ave. W.
West Toronto Showrooms, 3030 Dundas St. W.
Danforth Showrooms, 942-4 Danforth Ave.

Touring Car and Roadster $825 Coupe $1,295
Special Touring $1,000 Special Sedan $1,395
All Prices F.O.B. Toronto. Sales Tax Extra.

WILLYS-OVERLAND LIMITED, Head Office and Factories: TORONTO, CANADA

Loan and Trust Review and Outlook

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-32 | PUBLICATION OFFICE: TORONTO, MAY 12, 1922 | Special Section 17-32

UNREASONABLE TAXATION SUGGESTED BY FADDISTS IS BURDEN ON LOAN COMPANIES

Remarkable Increase in Levies on Loaning Institutions as Expenses Mount Up

GOVERNMENT EXPERIMENTS

Banking and Other Ventures Are on Unsound Basis When They Are Allowed to Compete With Heavily Taxed Private Institutions

By W. E. LONG,
President Dominion Mortgage and Investments Association at Annual Meeting at Montreal this week.

In the early months of 1921 a spirit of optimism prevailed throughout the Dominion. Seeding was effected under favorable conditions, the people generally were well employed and our foreign trade continued to be, relatively speaking, buoyant. Naturally, under such conditions, the people were extremely hopeful. As the year progressed, however, insects, unfavorable weather, and price reductions caused farmers and business men to be less optimistic. In the districts in which we are particularly interested as lenders, there was a very steady demand for loans and the borrowers generally who had incurred obligations were hopeful of being able to meet payments as they matured. But in the midst of harvest prices of field and animal products, with the exception of one or two, began to drop very rapidly. This brought anxiety to agriculturists which later became intensified by deplorable climatic conditions.

A change, however, has come about. Today we find a new hopefulness throughout the Dominion. The despair of November last is replaced by hopefulness. As a matter of fact, payments generally upon mortgage obligations are reported as being not far below the average, despite the unfortunate position in which the mortgage borrowers of the West found themselves in the late months of 1921.

Effects of Depression

I might remark here that when wheat dropped to an extremely low level, when oats, the volume of which produced in Canada represents one of our chief commodities, fell to a point that left to the producer no margin for his labor, the burden of the high freight rates became more apparent. Depression was, accordingly, accentuated. From different parts of the West your Association received reports indicating that the agriculturists as a rule would not be able to meet their current indebtedness, and further they found that the usual sources of current credit were materially contracted.

The officers of the Association investigated conditions directly and were privileged to attend conferences with the Governments of Alberta and Saskatchewan. As in other years during which conditions of a trying character prevailed, the companies very readily acquiesced in the suggestion that consideration should be shown to all agricultural borrowers and to keep in mind the importance of retaining on the land every possible producer.

The acute depression to which I have referred was perhaps the outstanding feature of conditions during the year which particularly affected our member companies. There was, however, at the same time, a marked continuation of the incessant demand for additional revenues for governmental purposes, an extension of governmental activity along lines where efforts of the people themselves are being displaced, and there is evidence of a marked tendency to regard lightly the obligations under contracts made in accordance with existing statutes.

Burden of Taxation

As to the first of these, that is with respect to the demands for public revenue, it need hardly be pointed out to you, by me, that the first victims are financial institutions. The precise effect of these demands are increased taxes, as will be revealed to you in the report of a special committee which the Executive deemed it advisable to appoint in order to deal with that matter. While it is possible for this Association to attack the problem in several ways, our greatest hope, I think, lies in efforts to decrease public expenditure. The extent of the increased cost of carrying on government is not yet realized by the public. Apparently, when depression of any kind sets in, influenced by the teachings of our newer economists, the public look to the Government to dissipate depression and restore prosperity and abundance of employment. So long as so many of our governments, both municipal and provincial, yield to the persuasive tongues of faddists, increased taxation is inevitable. In British Columbia, for instance, the per capita expenditure of the Provincial Government alone in 1920 was $29.84, as compared with $16.87 in 1918. Discrimination against that Province is not intended by quoting these figures, as the increase in others has been proportionately large. Saskatchewan increased its Provincial expenditure from $10.05 per capita in 1918 to $14.93 in 1920, and Manitoba made the rather stupendous increase from $8.60 in 1918 to $13.76 in 1920. You are well aware of corresponding increases in municipal expenditure. The usual mill rate increases from year to year and with it there is an increase in assessment. These facts make it clear enough that our expenditure is increasing at a rate which will, if not arrested, restrict the business and commercial activities of the Dominion, and will also impair the security of your investments.

Government Interference

The increase of Government activities, let me point out, does not augur well for our future. The Provincial Treasurer of Saskatchewan has indicated very clearly that less respect for his obligations is shown by the borrower from the Government than by the borrower from organizations formed and operated by the people themselves. As I have indicated, collections in that Province made by your companies have not been much below normal during the past twelve months, but in the case of collections due to the Saskatchewan Farm Loans Association the amount of interest collected would, in

(Continued on Page 21)

CONVENTIONAL HYPOTHEC IN QUEBEC

By W. deM. MARLER,
Notary Public Montreal, Before Dominion Mortgage and Investments Association.

A hypothec is simply a registered charge on land to secure the fulfilment of an obligation. There are thus three elements; the debtor of the obligation, the creditor, and the land charged.

It has two main characteristics. In the first place, it does not deprive the debtor, even when he is in default, either of the possession or of the ownership of his land; he continues to enjoy it; he may alienate it; he may grant other hypothecs or rights upon it. Such acts, however, do not prejudice the previously registered hypothec.

In the next place, it gives the creditor the right, upon the debtor's default, to call upon the holder of any part of the hypothecated land to surrender it in order that it may be sold judicially, so that the creditor may be paid by preference out of the proceeds of the sale in accordance with his rank. It is only when the land has been thus sold that the debtor or subsequent holder loses the ownership and possession of his land, without possibility of recall.

There are three kinds of hypothec; legal, resulting from the law alone; judicial, resulting from judgments and judicial acts; and conventional. Like a mortgage, conventional hypothec can only be granted by a person capable of alienating the immovable he subjects to it. He must, therefore, be the owner of the immovable, and be capable of contracting. Persons, incapable of contracting, such as minors, insane or interdicted persons, may, through their guardians, hypothecate under certain circumstances, when authorized by the court.

Its conditions: To create a conventional hypothec certain conditions must be observed: 1. As it secures the fulfilment of an obligation, the obligation must be set forth in the deed.

I can secure by hypothec my obligation to pay you a sum I owe you; or which you may lend me; but an obligation does not necessarily imply a sum due. Thus, I may oblige myself to pay you the cost of a building you are to erect for me, or the sums you may advance to keep an insurance in force, or the price of goods you may supply to me. In none of these cases is any money actually due by me; yet, I may secure by hypothec what I may thus owe you in the future, provided the amount of the hypothec is determined by the deed creating it. In fact, conventional hypothec may be granted for any obligation whatever.

The obligation may not be that of the grantor of the hypothec; it may be that of a third person. In that case, the grantor is not personally bound, but his property is to the extent of the hypothecation.

The hypothec is the accessory of the obligation, so that when the obligation is extinguished by payment, or by proscription, or in any of the other ways by which obligations are extinguished, the hypothec securing it dies with it, and cannot be revived. Thus, if I lend you $5,000, secured by a hypothec on your land and a transfer of the fire insurance on the buildings, and the buildings are burnt, and I receive the indemnity for the loss, the hypothec is reduced by the amount I have thus received, although I may have paid you the indemnity to enable you to restore your buildings.

2. The deed creating the hypothec must be executed in authentic form.

An authentic deed is one which makes proof of its contents and of the signatures of the parties to it, without any further evidence. In this Province, it cannot be executed otherwise than before a notary, who keeps it as a record in his office and delivers copies of it, certified by him to be true, which copies are likewise authentic.

(Continued on page 20)

An Improvement Noted In Finances Of Western Municipalities In Default

But Great Care Must Still be Exercised—Provincial Authorities Do Not Show Sufficient Concern for the Holding of Debentures—Arrears of Interest Still to be Made Up

By E. M. SAUNDERS
Chairman Municipal Committee at annual meeting of Dominion Mortgage and Investments Association this week

Careful study had to be made of the financial position of nineteen towns and one city, and in addition the position of rural telephones and school districts have necessitated vigilance. It is satisfactory to note, however, that actual defaults are now confined practically to two Provinces in the Dominion, Saskatchewan and Alberta. This does not mean that a watchful eye should not be kept on the position of municipalities elsewhere, as there is a marked tendency on their part to accept extraordinary liability on account of public utilities and by bonusing industries. Another serious tendency, common to all the Provinces, is the readiness with which extraordinary liability is being assumed on account of education.

Your committee's attention, however, has been largely concentrated upon finding a solution for the financial difficulties of towns particularly, and one city, in the Provinces of Saskatchewan and Alberta, and with respect to the latter Province, satisfactory progress has been made. Of the principal debt involved in the case of Alberta municipalities only 12.4 per cent. remains to be adjusted and arrears of payments on the principal debt 13.7 per cent remains to be disposed of. These percentages are of the total unadjusted municipal debt. In Saskatchewan, on the other hand, 87.6 per cent remains of principal and 86.3% on arrears of payments. Last year, it may be recalled, the hope was expressed that Provincial Governments would see to it that more complete returns as to the position of all municipalities would be provided. We have found a greater readiness on the part of each province to provide us promptly with information on any given municipalities and the information has been more up to date and comprehensive than in prior years. In Saskatchewan, the Deputy Minister of Municipal Affairs recently addressed a gathering of municipal representatives in Saskatoon and very frankly outlined to them the extent of their uncollected taxes, their obligations to the banks, and other features disclosed in annual statements. This is a tendency which we cannot regard as being other than satisfactory, and it is to be hoped that it is the beginning of better things.

I have before me a copy of the report made by the Local Government Board of Saskatchewan, dated January 3rd, 1922, to the Premier of that Province. I must confess that the report as a whole does not disclose the concern for the debenture holders which might reasonably be desired. Doubtless the board has exercised commendable vigilance with respect to the issuing of debentures but in so far as dealing with municipal debt in arrears is concerned, I do not think that investors whose payments have not been met need expect from them very much aid. The board's information does not appear to be of a very accurate character, as it states that of Saskatchewan's three hundred and one rural municipalities and three hundred and forty seven villages, not one is reported to be in default in respect to its debentures. Most of us know that a statement of this kind is absolutely misleading, as I very much doubt if any of the member companies of this Association, which in the past made a practice of purchasing the securities of that Province, has not at the present time a record of existing defaults, both as to rural municipalities and villages. The board itself has indicated that in respect to both there is need of constant vigilance. Unless the municipal department of that province adopts the suggestions made to it by this association, as to the establishment of a statistical department that, by careful analysis of statements, can determine the possibility of trouble and remove it in good time, there will be in the rural municipalities and in the school districts, eventually, the same trouble as we have experienced in the case of towns which have become involved because of extraordinary expenditures on account of public utilities and municipal enterprises which experience has shown to be unsuited for public operation.

Saskatchewan Had Difficulties

The Saskatchewan Board very frankly states that during the year 1921 the sale of debentures of local authorities was attended by greater difficulties than at any other time in the history of the Province. Let me quote further from this report.

"Different causes have combined to bring about this condition, among which may be cited as the principal one

(Continued on Page 20)

POSITION OF MUNICIPALITIES IN ARREARS

Comparative Statement in respect of chief liabilities and current assets of municipalities which recently have been in default or which sought relief by extension or refunding of maturity liability.

SASKATCHEWAN	Year	Debt Debenture	Arrears Debenture	Sinking Liabilities Fund	School Arrears Tax	Bank Liabilities	Other Current Liabilities	Provincial Treasurer Liabilities	Uncollected Taxes	Taxes Collected	Cash in Hand etc.
Battleford, S1	1920	$487,953	$64,302	$15,442	$62,455	....	$7,838	$6,418	$221,494	$28,179	$12,339
	1921	459,786	125,549	20,746	62,283	....	9,447	7,575	290,193	26,669	12,251
Canora, S2	1920	149,851	34,266	......	17,876	$21,000	12,201	1,624	66,051	54,408	61,363
	1921	146,344	39,009	......	4,996	9,685	5,890	2,535	91,212	59,855	12,695
Estevan, S3	1920	468,089	2,764	......	21,575	37,180	16,883	3,714	153,108	80,522	3,752
	1921	453,878	1,837	......	40,368	33,084	11,573	6,202	201,522	82,000	8,511
Humboldt, S4	1920	401,537	117,840	......	16,598	50,670	7,355	6,451	108,970	98,560	59,316
	1921	386,708	120,815	......	28,711	51,561	......	7,535	143,606	73,900	10,719
Melville, S5	1920	340,356	25,100	13,352	40,741	27,120	20,103	14,132	133,663	89,387	1,400
	1921	332,976	50,133	16,607	45,137	25,284	26,069	15,215	213,785	116,718	11,023
Scott, S6	1920	136,226	10,267	......	1,945	....	159	830	24,112	10,872	4,331
	1921	136,226	15,040	......	1,593	....	20	1,245	78,639	7,807	2,533
Swift Current,	1920	1,224,603	......	153,627	......	294,088	23,719	3,977	659,328	198,207	......
S7	1921	1,209,390	89,070	166,493	......	254,569	24,847	22,390	791,176	176,879	26,287
Wilkie, S8	1920	92,031	129	......	41,423	10,395	3,936	2,229	102,087	35,792	5,778
	1921	88,244	4,301	......	49,869	6,880	2,861	2,391	113,630	30,915	6,268
Sutherland, S9	1920	234,645	......	12,093	27,835	7,520	15,916	2,043	86,998	24,507	3,200
	1921	234,645	16,887	16,379	36,909	8,681	13,367	2,961	110,023	20,309	2,245
Totals	1920	3,535,291	254,668	194,514	230,448	447,973	108,110	41,418	1,555,811	620,434	151,479
Totals	1921	3,448,197	462,641	220,225	269,866	389,744	94,074	68,049	1,943,786	513,047	92,532
ALBERTA											
Athabasca, A1	1920	$146,339	$38,463	......	$13,781	$6,777	$2,470	$2	$394,411	$28,476	$4,246
	1921	142,424	52,622	......	4,993	6,777	1,941	53	465,784	29,000	11,629
Bassano, A2	1920	243,200	7,834	15,187	5,766	....	12,201	581	36,256	46,905	5,403
	1921	242,724	932	15,187	10,554	....	13,016	1,075	45,264	36,735	5,029
Beverley, A3	1920	18,750	Nil	......	3,555	4,000	5,138	589	32,515	26,763	6,962
	1921	18,750	1,250	......	6,190	....	2,714	664	37,525	21,015	3,556
Blairmore, A4	1920	47,676	5,232	......	4,721	7,000	4,975	....	39,491	21,393	1,636
	1921	44,908	173	......	4,304	6,000	2,516	958	48,030	29,929	2,276
MacLeod, A5	1920	570,000	17,039	33,293	11,924	38,735	3,878	1,340	149,455	69,267	9,236
	1921	570,000	23,879	36,554	3,876	28,609	2,429	192	116,138	57,866	2,938
Redcliff, A6	1920	357,800	42,288	41,235	105,076	21,907	6,611	7,659	552,043	58,329	4,455
	1921	357,800	59,214	49,236	159,730	13,989	7,154	8,877	717,572	47,862	1,735
Taber, A7	1920	129,067	212	16,154	22,187	12,750	2,809	834	96,855	34,642	1,264
	1921	123,463	1,000	19,344	20,111	24,450	5,105	1,485	139,952	19,854	246
Tofield, A8	1920	58,161	12,673	156	8,390	800	200	1,719	48,024	23,801	2,556
	1921	89,153	7,319	222	7,447	800	96	2,292	57,348	19,633	810
Wetaskiwin, A9	1920	453,420	12,972	......	10,951	46,635	2,382	683	67,016	108,926	5,348
	1921	446,245	12,667	......	2,150	44,236	2,556	1,208	84,504	84,219	472
Wainwright	1920	46,463	413	......	26,359	16,905	See Note	1,056	113,822	29,018	1,535
A10	1921	48,350	800	......	38,102	17,783	No. 11	....	151,200	30,000	2,528
Totals	1920	2,070,876	137,126	106,025	212,710	155,509	40,584	47,205	1,529,388	447,520	42,641
Totals	1921	2,083,847	159,856	120,543	257,457	142,644	37,527	49,597	1,863,317	376,118	31,219

MORTGAGE RATE EASING TO 6 1-2 PER CENT; CHANGING BONDS FOR MORTGAGES

More Money Now for First Class Mortgage Than Will Cover the Demand

BOND PRICES FACTOR IN SITUATION

Rise in Market and Decline in Yield Turns Capital to Other Fields—Effect Likely to be Seen in Future in Improvement in Situation

The relation of trust companies to the supply of mortgage money has undergone some change during the past year. One year ago there was a scarcity of money for mortgage investment; this year the supply is much more plentiful. Last year the demand for money was fair, and this year it is probable that there is very little more demand than last year. On this point there is a difference of opinion among those in charge of the mortgage department of trust companies, but in the main it is agreed that while there is an increase in the building of houses large buildings as a rule are not being attempted even to the extent they were one year ago.

In general, then, it appears to be clear that more money is available for first class mortgages than is sufficient to cover the demand. The logical conclusion, then, is that the time is near at hand when money on first class mortgage security will be available at 6½ per cent. in place of 7 per cent. that has been ruling during the past year. Already THE FINANCIAL POST has learned, some money has been placed by trust companies at 6½ per cent. for what is known as a "gilt-edged" security. This downward movement is a necessary corollary to the steady decline in the rate of interest that has been going on in the past year. A necessary sequence to the rise in bond prices and the decline in the yield.

At the same time most trust companies and loan organizations are holding up to 7 per cent. and in cases of a slightly lower grade of security to 7½ per cent. for Eastern Canada. The rate still holds strong at 8 per cent. in Western Canada with some loans made at a little higher rate. This 7 and 7½ per cent. rate has been the high mark reached from the lower rate of 5½ per cent. that could be obtained about 10 years ago. Shortly before the war this was raised to 6 per cent. and then the rate went up to 6½ and finally 7 per cent. late in the year 1920.

Maturing Mortgages

An interesting contrast is bound to result in the case of maturing mortgages. The mortgagor is bound to feel disinclined to renew for a period of five years at a rate of 7 per cent. and is likely to hold out for 6½ per cent. provided the security is a satisfactory one. He will recognize that next year at all events if not late this Fall that a 6½ per cent. rate on first class properties may be an almost universal one, so that to renew for five years at a rate one-half of one per cent. above what shortly seems certain to be the prevailing rate of interest hardly appeals to the average thrifty property owner or contractor. Thus more or less see-sawing may result for a time.

This hesitancy to incur what now stands as a fairly high rate of interest already is resulting in many mortgages being paid off that otherwise would be renewed. This is the experience of loan companies and it is anticipated that it will continue to be so at all events as long as a 7% level can be maintained. This in its turn will increase the amount of mortgage money available.

Restrictions of Trust Money

In dealing with mortgage loans a distinction must be drawn between the conditions observed by the average loan company and the restricted terms under which a trust company operates in making investments of "trust" monies, from estates under its management. In the latter case the statute declares that "trustee investments," as they are called, cannot exceed—in the line of mortgages—60 per cent. of the assessed value of the property. This at once proscribes loans to contractors for building purposes, secured by the land—or "progress" payments, as they are termed. For in these cases only the land itself would be assessed, and the loan on this would probably not be more than 30 to 40 per cent. of its value (taking 60 per cent. of the assessment). Nor, for taxation purposes, would the contractor take any steps to hasten the going into effect of the assessment on the building, so that such loans would not come out of "trust" funds. There is one exception: Where instructions are contained in a will as to the manner in which "trust" funds may be invested. Here the testamentary provision overrides the limitations set forth by the general law. Ordinary funds, however, handed over to a trust company from individuals for ordinary investment naturally can be distributed as the owner deems fit.

Selling Bonds to Get Mortgages

It has been stated that there is a more plentiful supply of money available for loans on property. This is due partly to the easing up of the need of money for commercial requirements, but mainly, probably, to the steady decline in the yield from bond investments during the past year or so. One year ago or a little more, municipal bonds provided a return of 6½ per cent.; that same class of high grade security to-day offers little better than 5½ per cent., with Provincial issues shading off less than this. The margin between this and the prevailing rate of mortgages is now 1½ per cent. where last year and in 1920 it was little more than ½ of 1 per cent. The temptation to transfer from the one to the other, therefore, is strong, and trust companies state that bonds have been disposed of by clients and a mortgage investment sought. There is another angle to this: the common impulse to take a profit when one is visible. When the 33's and 37's of the Victory list were bought well below par and can be sold now for $103 or $105, or a little better, many investors are "taking their profits,"

(Continued on page 23)

MORTGAGE LOANS CONTINUE TO ATTRACT THE FUNDS OF THE INSURANCE COMPANIES

An Increasing Proportion of Funds is Finding Its Way Into Land Credits

GOING BACK TO PRE-WAR BASIS

Rising Value of Bonds no Doubt an Important Factor in Turning Attention to Investments in Canadian Farm and City Property

The important part played by the insurance companies in the mortgage situation in Canada through the investment of their funds is indicated by the increasing amount of such loans not only in volume but in relation to total assets, according to figures supplied by G. D. Finlayson, Superintendent of Insurance, Ottawa. At the end of 1919 the mortgage investments of the insurance companies amounted to $91,325,101 or 24.28 per cent. of total assets; at the end of 1920 the investments were $103,895,691 or 24.73 per cent. of the total while at the end of 1921 the total was $119,895,623 or 25.35 per cent. of the total. The following summary illustrates this development:

	Dec. 31, 1921	Dec. 31,,1920
Assets of Can. Life Companies...	$472,882,581	$420,096,797
Mortgage Loans..	119,895,623	103,895,691
Real Estate	18,074,626	17,170,659
Loans on Collateral	1,379,622	1,632,889
Loans on policies	60,230,730	49,303,632
Bonds and debentures..	216,594,631	202,344,898
Stocks	26,542,683	25,440,716
Cash	4,517,660	2,924,976
Other assets	25,647,012	17,378,464

Back to Pre-War Basis

Looking back over a period of seventeen years the increase in the ratio of mortgage loans to the total assets of the insurance companies during the past year is significant in that it indicates a continued tendency to get back to a position in this respect held prior to the war, when—in 1913—the ratio of mortgage loans was 37.39 per cent. of the total assets. During the war period there were two reasons for a tendency to reduce mortgage loans. In the first place there was a weakening in demand for loans on account of the prosperity of the farmers and the fact that there was comparatively little immigration or new development. In the second place there was an insistent call for the marshalling of the financial reserves of the country for the purposes of the war. For this reason the percentage of total assets invested in bonds and debentures rose from 31.45 per cent. of the total in 1915 to 47.68 per cent. in 1919. Nor did this tendency cease with the year just closed; the ratio during 1920 advanced to 48.17 per cent.

Post-War Conditions

This post-war development was undoubtedly due to the attractive nature of bond investments offering. During the present year it will undoubtedly be found that there is a continued and stronger tendency to place investments in mortgages which are now showing attractive returns in interest rates. The following table indicates the percentage of mortgage loans to total assets since 1905:

Table Illustrating How the Percentage of Canadian Life Company Assets Invested in Mortgage Loans Has Risen and Fallen in the Past Seventeen Years

Year	Total Assets	Mortgages	Per Cent.
1905	$102,438,414	$26,703,101	26.06
1906	114,650,833	31,822,209	27.78
1907	125,178,214	36,674,313	29.30
1908	138,491,378	39,817,658	28.75
1909	153,790,291	45,346,488	29.48
1910	170,804,631	53,159,839	31.23
1911	190,722,358	63,656,430	33.33
1912	211,632,875	75,248,268	35.55
1913	233,244,496	87,215,996	37.39
1914	257,826,939	94,765,472	36.75
1915	274,243,433	96,058,935	35.02
1916	298,247,383	95,916,630	32.15
1917	322,753,547	92,703,647	28.72
1918	347,507,696	90,653,299	26.09
1919	376,476,890	91,325,101	24.28
1920	420,096,797	103,895,691	24.73
1921	472,882,581	119,895,623	25.40

To further illustrate the trend of investing as followed by the insurance companies in relation to assets the following comparative percentages may be studied with interest:

To further illustrate the trend of investing as followed by the insurance companies in relation to assets the following comparative percentages may be studied with interest:

Table Illustrating How the Relative Importance of Mortgage Loans to Other Forms of Investment Has Changed in the Case of Canadian Life Companies

Security—	1905	1910	1915	1920	1921
Real Estate	4.68	3.94	5.14	4.00	3.82
Mortgages	26.07	31.12	35.02	24.73	25.35
Loans on Collateral	3.33	.99	.62	.39	.29
Loans on Policies ..	9.45	11.95	14.34	11.74	12.74
Bonds & Debentures	*48.73	37.58	31.45	48.17	45.82
Stock	....	8.82	6.60	6.06	5.61
Cash	2.67	1.34	1.88	.70	.95
Other assets..	5.07	4.26	4.95	4.20	5.42
	100.00	100.00	100.00	100.00	100.00

*In 1905 stocks, bonds and debentures were shown in one lump sum in the insurance returns.

Investments All Companies

The total funds invested in Canada by insurance companies of all classes are given in the table hereunder and show a very substantial increase over last year; they are also higher than they were in 1914. This indicates that mortgage investments are regaining their popularity.

Total of Funds Invested in Mortgage Loans in Canada by Insurance Companies Operating Under Dominion Licenses

	1914	1920	1921
Can. Life Co...	$94,765,472	$103,517,791	$119,895,623
Brit. & Col. Life. Co.	18,420,270	12,727,404	10,655,634
U.S. Life Co...	9,173,058	9,143,873	9,049,828
Canadian Fire Co. ...	3,160,250	2,275,827	3,529,359
British Fire Co.	14,695,586	13,047,264	*3,862,043
U.S. Fire Co.	8,500	5,500	5,000
Can., Miscellaneous..	160,636	283,092	229,691
	$140,392,772	$141,000,751	$147,227,178

*Does not include Law Union and Rock, which totalled $8,931,990 in 1920.

The increase is accounted for by the Canadian and British companies, some of the others showing a reduction.

Classification of Assets of Canadian Life Companies at 10-year Intervals Since 1881

Class of Investment	1881 Amount	1881 % of Total	1891 Amount	1891 % of Total	1901 Amount	1901 % of Total	1911 Amount	1911 % of Total	1921 Amount	1921 % of Total
Real estate..	$ 292,787.71	4.28	$1,878,478.35	8.11	$5,128,108.00	7.79	$7,958,156.28	4.21	$18,074,626.23	3.82
Loans on real estate	2,098,917.07	30.68	9,947,204.58	42.96	19,059,810.69	28.94	63,443,650.17	33.57	119,895,623.52	25.35
Collateral loans ..	9,120.00	.13	2,477,471.63	10.70	3,890,222.02	5.91	2,388,758.63	1.26	1,379,622.95	.29
Policy loans	620,270.98	9.07	1,959,897.77	8.46	6,437,562.82	9.77	22,896,217.75	12.11	60,230,730.36	12.74
Canadian Govt.	4,200.00	.06	53,000.00	.23	268,647.57	.41	146,275.46	.08	56,874,400.07	12.03
Provincial Govt. ...	5,065,37	.08	50,835.00	.22	425,750.45	.65	647,852.35	.34	11,276,977.57	2.39
British & Col. Govt.	....	....	50,535.13	.22	166,388.96	.25	493,818.96	.26	9,130,667.81	1.93
French Govt...	....	....	....	....	....	....	....	....	542,593.31	.12
Russian Govt.	....	....	....	....	....	....	....	....	36,606.26	.01
U. S. Govt.	....	....	127,250.00	.55	121,532.55	.18	13,322.52	.01	111,474.51	.02
Other Govts..	....	....	....	....	....	....	372,137.20	.20	2,055,590.78	.44
Can. Municipal	2,780,372.09	40.64	3,359,542.28	14.51	10,066,724.93	15.29	22,466,485.78	11.89	70,751,507.98	14.96
Other municipal	....	....	....	....	383,396.14	.58	414,920.12	.22	2,290,023.45	.48
Can Ry. and Corp...	69,800.00	1.02	674,098.87	2.91	8,591,340.87	13.05	22,283,938.31	11.79	39,789,986.68	8.41
U. S. Ry. and Corp..	....	....	....	....	2,064,626.00	3.13	19,326,856.46	10.22	20,686,978.02	4.39
Other Ry. and Corps.	....	....	....	....	191,347.01	.29	1,236,995.73	.65	3,047,824.99	.65
Canadian stocks	153,297.00	2.24	738,029.27	3.19	3,891,461.09	5.91	9,237,232.20	4.89	15,363,851.16	3.25
U. S. Stocks	....	....	....	....	579,246.87	.88	4,624,711.89	2.45	10,417,141.70	2.20
Other stocks	....	....	....	....	....	....	72,750.00	.04	761,680.53	.16
Cash	171,643,60	2.51	436,376.78	1.89	1,080,050.99	1.64	2,462,253.26	1.30	4,517,660.31	.95
Other assets	635,264.47	9.29	1,401,900.48	6.05	3,508,420.88	5.33	8,520,625.24	4.51	25,647,012.81	5.42
Totals	6,840,738.29	100.00	23,154,620.14	100.00	65,854,637.84	100.00	189,006,958.31	100.00	472,882,581.00	100.00
Aver. gross rate of int. earn. on mean ledger assets ...	6.99%		5.74%		4.80%		5.90 %		6.42%	

WILL-MAKING TO PEOPLE IN ORDINARY CIRCUMSTANCES AS IMPORTANT AS TO RICH

In Fact the Smaller the Estate the More Necessary to Safeguard the Dependents

By ROBERT BEATTIE, National Trust Company.

A Toronto daily paper published recently an editorial in favor of a campaign to induce people to make wills. The writer did not say what in his judgment would be the best way to carry out such a campaign. But his opinion seemed to be that just as "mass selling" had been effective in selling bonds to large numbers of subscribers or bringing in subscriptions to public service funds, so a "Make-a-Will Week" might induce large numbers of men and women who have not protected their property by making wills, to do so; and he thought this effect would be a good one.

This is not the place to consider what this interesting suggestion would mean. Who might be expected to undertake such a campaign? What would be its cost, and how would this be met? Most important of all, would its effect on the public be in every way what is desired? All these questions may be asked—especially by those most interested in its results. If everyone who owns property would make a will providing for handing it on safely to those for whom he intends it, this would certainly be a desirable result. But it is doubtful whether an end so personal and private as will-making would be furthered in the long run by being made a public matter like "Thrift Week" and promoted by "drives." Nevertheless, the article is important to trust company men because it shows that the general press is coming to recognize the problem of the will-less estate.

Wills Protect Small Estates

Only a very small proportion of people make wills for the protection of their property. It is no longer necessary to quote statistics to bear out this accepted fact. It is granted also that the people who neglect this important duty are many of them the very ones whose families stand to lose the most some day because of their neglect. The less property a man has the more resolutely ought he to guard it for his family. Everyone admits this in theory; but in practice most men in ordinary circumstances speak of will-making as the concern of men of wealth only or as something they will have to "get around to" some day. Many of these men never do get around to it. They die without wills, leaving their properties, large or small, to be distributed by law and possibly not in accordance with what would have been their wishes or in charge of administrators unfitted to administer them properly.

Why do so many people neglect and delay and fail to make wills? Almost every day the newspapers carry stories showing the disasters to which it leads. Perhaps newspaper readers do not take these stories seriously. Of course they hear from time to time the complaints of the overworked personal trustee or of heirs dissatisfied with him; but probably they do not hear enough from the chief sufferers, those who have to bear inconvenience or even hardship because there has been no will. Such a family does not want to blame the dead, even for such needless neglect as failure to make a will. And they do not willingly blame the personal executor for the results he gets from his administration, though these may not be all that could be desired.

Trust Company Advantages

While estates were in charge of individual executors, as they were almost without exception until recently, it was harder to argue for will-making. Personal executors were subject to so many disadvantages that some people were willing to let the law distribute their property rather than entrust it by will to an inexperienced executor, who might not be responsible and knew little of their affairs. But this only passed the problem on. The heirs in their turn were often unfitted to manage their property and a large part of it might easily be wasted in unsuitable investments. Now, however, even this partial excuse no longer serves. The administration of estates by trust companies has passed from an experiment to a matter of course among those who know the problems arising from wills and are qualified to judge. The time may not be far distant when the public generally as well will take for granted the superiority of trust companies to personal trustees. When that time comes, perhaps the real need will be a campaign so wide and vigorous that a man who has to admit not having made a will, will show real mortification, instead of half-humorous apology—as now.

What special qualifications of a trust company have led those best informed on administration to approve it, and select it, in preference to individual trustees? The trust company's advantages have already been set out in the columns of THE FINANCIAL POST. However, the record, which appears elsewhere in this issue, of property entrusted to trust companies in Canada during the past year may give point to a rapid summary.

The old-fashioned personal trustee is usually subject to at least one of the following disadvantages; he may not be financially responsible for the business in his charge; he may go away, fall ill, or die so that his duties are interrupted or ended before they are completed; he may be inexperienced, either in business generally or in the proper keeping of accounts or records; and finally, his close connection with beneficiaries sometimes leads him, unconsciously and with the best intentions, to "play favorites." These disadvantages the trust company has so far overcome that people may leave their property for their dependents, no matter what its size or kind, to be managed for any necessary time without fear for its safety while it is in the company's charge. The properly constituted trust company has financial resources which ensure financial responsibility, and a staff large enough to give continuous service. Its organization includes experts in all kinds of property. Further the trust company, without being "cold-blooded" or indifferent to the human aspects of its business, is unhampered by personal connection, family influence or business acquaintance. Its responsibility is to its client, and for him it obtains the best possible service without regard to other considerations.

TRUST COMPANIES' GROWING REVENUE

Demand for Safety Deposit Boxes Grows Steadily—More Call for Aid

The labyrinthine mysteries of the income tax for the man of extensive activities in the financial world have been responsible for a good deal of extra business that has come to the trust companies during the past year or two. These report a large increase in the number of tax returns they were called upon to prepare this spring and send in to the Taxing Commissioner. The rate for these runs from about $5 to $10 to $15 for the ordinary tax report up to as high as one hundred or even more than that where large and numerous amounts are to be considered and where complicated questions must be decided. The trust companies consider the preparation of these tax reports as a permanent source of revenue to them, just as they believe the income tax will be a permanent source of revenue for Dominion purposes, or at least for many years to come. There are few of them that prior to the 29th of April last did not make liberal use of space in the press advertising their willingness to prepare income tax reports against that fateful day of reckoning.

One point of interest that is reported by trust companies who have been in close touch with the preparation of income tax returns is that the Department at Ottawa is compelling them to report on all revenues received in connection with estates even although the amount has not been paid to the beneficiaries. In some cases when the revenue of an estate amounted to $10,000 in a year and only $6,000 was paid out to the person who was an heir of the estate, or who was the beneficiary of trust money other than an estate proper, it was the custom for the income tax to be paid on the $6,000 rather than on the $10,000 as the total amount that had accrued during the year. Now a ruling has come telling the trust companies to report the full amount of $10,000 and the income tax from this year on will be paid on that amount rather than on the amount of $6,000 actually transferred to the client.

Seven Strong Organizations and their Aim

TORONTO FINANCE CORPORATION LIMITED

Authorized Capital $2,000,000

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Vice-President—OLAND J. BROOKS, Investment Banker.

Secretary-Treasurer—BROOK SYKES, Real Estate Broker.

ALEX. BUTLER, Grain Broker.

EDWARD TOOZE, Hardware Merchant.

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MONTREAL FINANCE CORPORATION, LIMITED

Authorized Capital $1,500,000 (Preferred)

OFFICERS AND DIRECTORS:

President—E. R. DECARY, of Decary, Barlow & Joron, Notaries.

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NORMAN L. LeSUEUR, Barrister, Solicitor.

R. M. DURNFORD, Machinist.

HOWARD FRALEIGH, Flax Manufacturer.

Canada is on the verge of a great development in building. This development will probably reach its height in the construction of homes and home building will be followed by the erection of other buildings —stores, apartment houses, hotels, warehouses, etc.

There were 14,000 homes erected in Canada in 1921. The total seems large but it was pitifully inadequate in alleviating the shortage of houses in Canada. The $70,000,000 that was spent on these homes was but a fraction of what will be spent during the next few years. Even Canada's present population is not properly housed. And as Canada grows there will be a steady, unceasing demand for homes.

There will also be a demand for capital to finance building construction. There is a big gap between the cost of a home and the capital of the average home buyer. Money must be provided to bridge that gap, to enable the builder of a home and the buyer of a home to meet each other on a common ground. Security will be given for the money loaned. It may be in the shape of a mortgage, a contract or a guaranteed mortgage bond. Whatever the form of the transaction it is a means to two ends—the financing of home building and buying and the profitable investment of money.

The purpose of the seven associated companies whose capitalizations and directorates are here given is to help meet the pressing demand for capital for building. They will serve their communities well and in serving their communities serve Canada.

To the investor they present an opportunity that can best be appreciated by a survey of the names of the men who have given their support and backing to these organizations and by a study of definite figures of results to date, which will be furnished on request.

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SUCCESSION DUTY STATUTES OF OTHER PROVINCES LARGELY COPIED FROM ONTARIO ACT

This Province Followed, With Modifications, State Legislation of New York and Pennsylvania

NO TAXATION OF INHERITANCES

Succession Duties Are Collected Upon Personal Property Locally Situated Without Regard to Domicile of Deceased Owner

By W. C. KEIRSTEAD,
University of New Brunswick.

In Canada there is no federal taxation of inheritance, but each province has enacted a so-called succession duty statute. Bayley has shown that the other provinces in its earliest act followed, with modifications, legislation of the states of New York and Pennsylvania. But existing provincial legislation, while retaining features of these early acts, contains also many sections which have been taken unaltered or with modifications from the British Estates and Succession Acts. Moreover, Canada follows the British principles of jurisprudence and methods of legal procedure; the highest court of appeal for Canada is the British Privy Council, and its decision in any case is not merely final but becomes interpretative and authoritative for subsequent cases.

The construction or interpretation of provincial legislation is rendered difficult, however, not merely by the fact of its dissimilarity in many respects from British legislation but by reason of the constitutional restrictions placed upon provincial legislatures. A provincial legislature has "control over property and civil rights" and has "power to impose direct taxation within the province in order to the raising of a revenue for provincial purposes. This implies that inheritance as well as other taxation must be "direct taxation" and must rest upon something "within the province."

Direct and Indirect Taxation

There has been a great deal of discussion over the definition of the terms "direct" and "indirect" taxation. The legislature of Quebec was not permitted to put into operation a so-called licence, but in reality, a stamp tax passed in 1875, because it was indirect taxation. In another case the court accepted the definition of a "direct tax" as one "demanded from the very person who it is intended and desired shall pay it" and it further stated that "wherever the incidence of the tax was uncertain it should be regarded as indirect"—an inference which would make practically all taxation indirect.

But an act of Quebec, taxing banks on their capital stock and insurance companies on the basis of their premium receipts was declared by the court to be direct taxation within the province. The industry was carrying on business within the province notwithstanding its head office or domicile was elsewhere; and the tax was direct because it was imposed with the intention of exacting a contribution from the profits of productive business enterprises.

An effort of Ontario to collect from the administrator of an estate succession duties upon that portion which consisted of personal property locally situate in the United States was declared an indirect method of taxation designed to tax property which was situate without the province. Likewise Quebec was not allowed to collect from the notary or administrator within the province succession duties on the portion of the estate locally situate in Boston. In this case the Privy Council held that a method of inheritance taxation which was designed to make one person pay duties with the expectation and intention that he would reimburse himself by collecting from others was indirect taxation and *ultra vires* of a provincial legislature.

Situation in British Columbia

Justice Clements, of British Columbia, rendered a like decision with reference to the law of this province. In demanding payment of duty concurrently with the grant of probate he pointed out that the act was identical with that of New Brunswick, which the Privy Council had declared constitutional. The real nature of a tax, he held, is in the *intended* incidence as disclosed by the statute. Just as a land tax enforced against land is not indirect taxation, so an inheritance tax on property need not be indirect because it is demanded of the administrator of the estate while it is in his hands. These decisions are in harmony with the expressed opinions of several Supreme Court judges. According to Judge Idington, a successor may escape provincial succession duties if he can obtain property locally situated without the province without asking recognition of provincial authorities or relying upon provincial law. But wherever a foreign court demands of a successor recognition by a province of his right to succession before allowing him to enjoy the property and wherever provincial legislation is so framed as to demand compliance with its taxing terms as a basis of such recognition, succession duties can be collected and that by "very direct taxation."

New Laws Give Greater Freedom

Constitutional development is proceeding along lines of greater freedom for provincial legislatures in taxation. A direct tax may rest upon property, persons, or privileges. An administrator may be held responsible for the payment of succession duties upon that portion of the estate which is in his hands or comes to him for settlement and distribution, but he cannot be required to pay such taxes upon any portion of the estate over which he has no control. He must not take from the residuary legatee in order to pay taxes which otherwise the province could not collect; this would be indirect taxation and beyond the competence of a provincial legislature.

At the present moment succession duties are being exacted in practically every province upon personal property locally situate therein without regard to the domicile of the deceased owner, and upon some shares the rate reaches as high as 30 p.c. Most provinces have framed their acts with the primary object of taxing according to local or actual situation and most of the important decisions of Canadian courts on succession duty are concerned with the determination of the local situation of property.

Not only does a province exact death duties upon the passing of all personal property locally situate within its area but it bases its rate of such taxation upon the total value of the estate so passing including property both within and without the province. The right, therefore, belongs to a province as fully as to any other state since provincial law grants the right to the succession and enjoyment of property passing on the death of its domiciled inhabitants. Moreover, a province, while limited to direct taxation within its area, is not limited to the direct taxation of property; it may tax, as well, persons or privileges including the great privilege to succeed to, and enjoy the use of, property by virtue of provincial law. The province has control over property and civil rights and the right to tax is "but the right to define to whom the property of a person domiciled in this country shall pass at death."

That a provincial legislature may impose succession duty upon all the personal property of its domiciled decedents passing at death, including the property locally situated without its own territory, has been established by two recent decisions of the Supreme Court of Canada. In one case shares held by a domiciled decedent of Nova Scotia in the Royal Bank of Canada were held liable to the succession duty of the province of domicile (not that they had an actual *situs* within the province because the office of legal transfer was in the city of Halifax, as was affirmed by the Supreme Court of Nova Scotia but because a province had the right to tax the passing of the personal property of its own domiciled decedents).

Reciprocity Between States

There is no such double multiple taxation of inheritances in Canada as exists among states of the Union. For the double taxation which does exist, a partial and often quite satisfactory remedy is provided in the reciprocity feature of provincial acts, and in the methods of administration adopted by the proper authorities. In most provinces, as has been indicated, the main effort is directed toward the taxation of property on the basis of actual situation and several provinces proceeding consistently on this principle credit their own citizens with payments of succession duty to another province or state where personal property is locally situate. Unfortunately, there are other provinces that have far less generous reciprocity clauses in their acts and pursue a narrow policy of administration. The one aim seems to be to secure revenue, without regard to just treatment of citizens, especially citizens of other provinces or states and a few of these provinces even impose higher rates upon non-resident successions. It does not require great courage to tax the citizens of another state, but it should not demand great foresight to recognize that this practice is as economically unwise as it is morally indefensible.

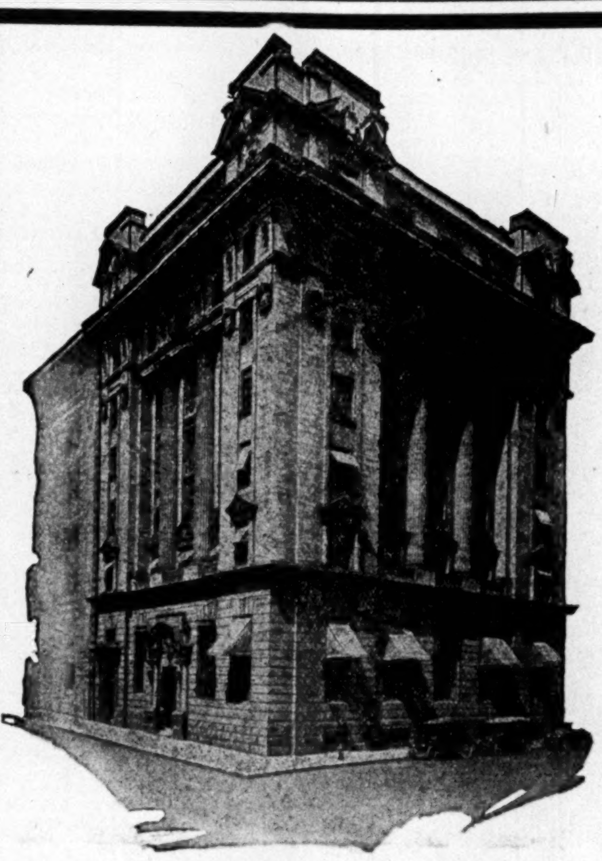
It is doubtful if the actual adoption of inheritance taxation on the basis of the actual situation of personal property (for this is what an extension of the reciprocity treatment amounts to) will afford a satisfactory solution of the conflict of provincial jurisdiction and double taxation therefrom. Provinces, with wealthy citizens, which have adopted the British practice of taxation at the further consideration that only such a solution will stand a chance of general acceptance.

Two Taxes in the One Statute

A provincial succession duty in reality imposes two taxes: one is akin to an estate duty since its rate is graduated according to the aggregate value of the estate; the other is a genuine succession duty imposed upon each beneficiary at a rate graduated according to his kinship to the deceased and progressing according to the amount of his share. These taxes are now imposed under one section of the act and are calculated together but they could easily be separated and placed in different statutes. One act would then impose an estate duty upon all property situated within the province, and the other a succession duty upon all successions, devolving according to provincial law. Moreover, in the provinces, personal property of the non-residents is taxed on its net value at exactly the same rate and in the same manner as the property of domiciled decedents. Wherever such property is within the area of a province the tax authorities require from the administrators of the estate a statement showing the aggregate value of the total estate both within and without the province and of the debts or other amounts that may be deducted from the gross value in order to ascertain the dutiable value of the estate. The provincial tax officials calculate the succession duty which the province would exact if the whole estate were within its jurisdiction and charge such a percentage of this tax as the portion of the estate within the province bears to the entire estate wheresoever situate. In this manner the property within the province gets its proper reducton for debts and the rate of taxation upon each share is exactly what it would be if the entire property were within the province.

Again, the tax so imposed upon non-resident property is not treated by the administrator of the estate in another province as an expense of administration to come out of the share of the residuary legatee; but it is

(Continued on page 30)



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Capital fully paid - - - - - - -	$ 2,000,000
Reserve Fund - - - - - - -	$ 2,500,000
Assets under administration as at Dec. 31st, 1921	$120,253,443

Established in 1882, The Toronto General Trusts Corporation this year celebrates its Fortieth Anniversary.

Its service embraces every phase of trust company work—administering personal and corporate trusts, managing all classes of property, acting as an investment agent, general agent, operating Safety Deposit Vaults, etc.

At its Head Office and Branches, a complete organization is maintained and operated by an efficient staff whose aim is to furnish satisfactory service to all its clients.

The volume of business entrusted to its care during the past forty years is conclusive evidence of the extent to which this service has been appreciated by the people of Canada. It is as follows:—

For 10 Years Ending March 31, 1892..	$ 9,111,896
For 10 Years Ending March 31, 1901..	28,098,895
For 10 Years Ending March 31, 1911..	43,781,191
For 10 Years Ending March 31, 1921..	124,203,902

The Toronto General Trusts Corporation welcomes the opportunity which its Fortieth Anniversary presents of expressing its appreciation to those who have favored it with their business during these years. Their loyal co-operation has made possible these splendid results.

We shall be glad to send to anyone interested a Booklet we have published recently entitled "The Business of a Trust Company." It explains the work of the various departments of our organization.

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AN IMPROVEMENT IN FINANCES OF WESTERN MUNICIPALITIES IN DEFAULT

(Continued from page 17)

tofore been a large factor in the absorption of municipal, school and rural telephone debentures, have for various well-known reasons been restricted to an exceptional ex- the fact that institutional investments, which have here- tent. In fact insurances and other investing companies have never before been so inactive in respect of this class of securities.

"Added to this, the general financial depression has in a considerable degree rendered private funds unavailable to anything like the same extent as in the past, although in Saskatchewan the local investor has been of great assistance in overcoming the difficulties referred to, and is becoming an ever increasing source of supply of funds for capital financing by local authorities. That the people of Saskatchewan are ready to demonstrate their confidence in its municipal institutions by investing their money in them is certainly gratifying, and has been of invaluable assistance in enabling officials of local authorities to obtain the funds necessary for financing the various civic requirements of the country."

The fact is quite evident, that investment institutions have realized that conditions in Saskatchewan are unsatisfactory and it will not be long before private investors come to the same conclusion. There must be in that Province a radically different attitude towards the obligations of local authorities before the confidence of investing institutions can be regained. The productivity of Saskatchewan soil and the character of its people only need to have the co-operation of statesmanlike government in order to bring Saskatchewan back to the position it should occupy as to credit among the institutional investors of the Dominion of Canada and elsewhere. We have found, up to the present time, a disposition to create difficulties in the debtors in that Province..

Arrears of municipal debts in Alberta and Saskatchewan have shown some increase during the past year although there have not been any important new communities added to the list of those in default. The provinces as a whole have exercised increased vigilance with respect to the care of municipal obligations and there has been some improvement in the collection of municipal revenues. This is in effect the substance of the report of the Municipal Finance Committee, presented by E. M. Saunders, chairman to the Dominion Mortgage and Investments Association.

In Alberta principal sums amounting to $2,083,847, are involved in default and arrears actually total $159,856. In Saskatchewan the debt involved is $2,514,999 of principal and arrears, total $371.662.

The urban communities of Alberta which are in or have had financial difficulty are located unfortunately in areas which in the past few years have been drought stricken. In consequence, during 1921 tax collections were slow. Saskatchewan municipalities in default are now in better condition. From the larger table appearing elsewhere the following summary is prepared:

Alberta

Changes in 1921 in respect of important liabilities and assets of ten municipalities the securities of which have been or are now **in default.**

	1920	1921	Increase or Decrease
Debenture debt	$2,070,876	$2,083,847	.6%+
Debenture arrears	137,126	159,856	16.5%+
Sinking fund liabilities	106,025	120,543	13.6%+
School tax arrears	212,710	257,457	21.0%+
Bank debt	155,509	142,644	8.2%—
Other current debt	40,584	37,527	7.5%—
Provincial Treasurer debt.	47,205	49,597	4.8%+
Uncollected taxes	1,529,388	1,863,317	21.8%+
Taxes collected	447,520	376,113	15.9%—
Cash on hand	42,641	31,219	26.7%—

Saskatchewan

Changes in 1921 in respect of important liabilities and assets of nine municipalities the securities of which have been or are now in default.

	1920	1921	Increase or Decrease
Debenture debt	$3,535,291	$3,448,197	2.4%—
Debenture arrears	254,668	462,641	81.6%+
Sinking fund liabilities	194,514	220,225	13.2%+
School tax arrears	230,448	269,866	17.1%+
Bank debt	447,973	389,744	12.9%—
Other current debt	108,110	94,074	12.9%—
Provincial Treasurer debt.	41,418	68,049	64.2%+
Uncollected taxes	1,555,811	1,943,786	24.9%+
Taxes collected	620,434	513,047	17.3%—
Cash on hand	151,479	92,532	38.9%

Alberta Municipalities

ATHABASCA—Debentures have been issued refunding the town's debt. There is a total of $186,408 of the new bonds bearing 3 per cent. interest and maturing in twenty instalments. School district debentures to the amount of $41,257 have also been issued.

BASSANO—Arrears have been refunded by issuance of $13,901 of ten instalment six per cent. debentures.

BEVERLEY—Town and school debentures maturing this year amounting to $9,272.50 will be funded by issuing debentures paying 6 per cent. and due in 10 instalments.

BLAIRMORE—Arrears have been paid up by town.

MACLEOD—Recommendation has been made that arrears be funded.

REDCLIFFE—Last July debentures were issued funding arrears for ten years at six per cent. but town has been unable to meet these payments.

TABER—Debentures formerly defaulted have been met and liabilities are now small.

TOFIELD—Negotiations under way towards refunding 1922 and possibly 1923 maturing bonds.

WETASKIWIN—$45,877 of town debt and $12,418 of school debt has been funded for ten years.

WAINWRIGHT—At the close of 1921 current liabilities of the town were practically nil.

Saskatchewan Municipalities

BATTLEFORD—Report will shortly be forthcoming from local Government Board of the Province regarding a reduction in cost of operating schools, which have been largely responsible for the town's difficulties.

CANORA—Part of the unpaid coupons are now being met.

ESTEVAN—A temporary default occurred due to misunderstanding which has now been cleared up.

HUMBOLDT—Debenture holders have recommended closing down waterworks and effecting drastic reduction in cost of operation of electric light plant. These utilities have been a serious burden for the town to carry.

MELVILLE—Agreement is now being effected for appointment of an auditor to run the town.

SCOTT—A meeting of debenture holders will shortly be held to consider the situation which is serious.

SWIFT CURRENT—Enquiry is now being held by the local Government Board under legislation passed last session and in the meantime all legal proceedings are stayed.

WILKIE—Department of Municipal Affairs is of the opinion that there is no need for undue pessimism regarding Wilkie.

SUTHERLAND—Sinking fund payments have been postponed and debenture holders have agreed to fund payments due from 1920 to 1924.

British Columbia Municipalities

GREENWOOD—The debt has been adjusted by legislation and pending final payment of principal on debentures 6 per cent. interest will be paid.

CONVENTIONAL HYPOTHEC IN QUEBEC

(Continued from page 17)

This feature remains to us from a time long before the era of registry offices, when hypothecs ranked in the order of date of creation, and the only mode of assuring their date was their execution before a public officer. The notary was a public officer before whom parties entered into agreements, as conclusive between them and as an executory against the debtor's property, without further process, as a judgment of the Court. Obligations contracted before a notary are still executory in France, whence we derive our Civil Law, but are so no longer with us; but the necessity of executing a hypothec before a notary still remains though the deed so executed is shorn of its executory force.

The grantor of the hypothec must sign in the presence of the notary, and the deed must state this fact.

Deeds executed before witnesses, even when proved by the affidavit of a witness, in accordance with the laws of a foreign country, or before a public officer of that country, are private writings and cannot create hypothec.

3. Hypothec is invalid unless the deed contains a description of the land hypothecated, and

4. Unless the sum for which the hypothec is granted is certain and determined by the deed. By conventional hypothec, the debtor anticipates the proceeds of the sale of his land to the extent of the hypothecation. It is in the interest of third parties that the amount of this anticipation be made known and the hypothec has priority for this amount, even for the sums advanced upon it after the registration of a subsequent encumbrance. The deed, in its simplest form, after setting up the obligations undertaken by the debtor, proceeds thus: To secure the fulfilment of the above obligations, the debtor hypothecates in favor of the creditor to the extent of such an amount the following property, describing it.

To this may be added, covenants as to the places and mode of payment, as to insurance, as to the circumstances under which the debtor may forfeit the benefit of the term for payment, freedom from encumbrance, etc.

The contract as embodied in the deed is the law between the parties. The law imposes no other obligations on the debtor than those set forth in the deed, except that the debtor or other holder may not deteriorate the security by cutting timber or pulling down buildings or fences with a view to defraud the creditor. It gives the debtor no implied right of redemption. No set form of words needs to be used. The word hypothecate carries with it the creditor's right to demand the surrender of the land changed, whoever may be the holder of it, and to cause it to be sold judicially, and to have a preference upon the proceeds of the sale, according to the date of registration of his hypothec.

No hypothec has any effect without registration with the exception of the legal hypothec of mutual fire insurance companies to secure payment of the amount of the deposit note. An obligation, therefore, though secured by a deed creating hypothec is an ordinary debt, and has no preference over other debts, unless the deed creating the hypothec is registered. With the exception of the hypothec of mutual fire insurance companies, which ranks, without registration, on the property insured, as of the date of the deposit note, hypothecs rank in order of date of registration. One hypothecary creditor may, however, cede his rank in favor of another, but cannot thus prejudice the rights of an intermediate creditor.

To be effective, registration must take place while the debtor is the registered owner of the land hypothecated. If the hypothec is registered before the debtor's title has been registered, the previous registration of the hypothec is postponed and dates for rank as of the day of the registration of the debtor's title.

No delay is given for the registration of a hypothec. It takes effect from the moment of registration, except; (1) In the case above mentioned, when the debtor's title is not yet registered; (2) In the case of mutual insurance companies; (3) Where the creditor is the unpaid vendor of the land, when by law the land remains charged for the price unpaid, and the vendor has 30 days from the date of the deed of sale within which to register his claim, registration within this delay retroacting to the date of the deed.

A hypothec secures the principal, interest and, with the same rank, the costs of a personal action taken in the court of original jurisdiction to establish the creditor's claim. Costs in appeal rank only as of the date of the registration of the judgment awarding them.

The creditor's remedies in case of default in payment of principal or interest.

1. He has a personal action against his debtor to recover any overdue principal or interest immediately upon the default. On obtaining judgment, he executes it against the movable and immovable property of his debtor in his debtor's possession, including the land hypothecated, if it is still in his debtor's possession.

2. If the land hypothecated is no longer in his debtor's possession, but in that of some subsequent holder, he has the hypothecary action against such holder, an action to realize the security. The issue is confined to the creditor and the holder; no other persons are brought into the case.

He cannot take this action unless for the debt secured by the hypothec or the portion of it which is overdue, and unless the amount of the debt has been determined. Although the amount of the hypothec must always be certain, as we have seen, the amount due upon the obligation is not always so, as when the hypothec secures the advances a creditor may make to the debtor. In such a case, before the hypothecary action can be brought against a subsequent holder, the amount due by the debtor must be settled either by an agreement between debtor and creditor, or by a personal action taken by the creditor against his debtor.

The creditor taking the hypothecary action sets up his hypothec, the amount due and exigible on the obligation, the debtor's default to pay it, and that the holder is in possession as proprietor of the hypothecated land or of some described portion of it, and demands that the holder be condemned to surrender the land he holds in order that it may be sold, unless he prefers to pay the sum due and costs.

A separate action has to be taken against each holder of any part of the land hypothecated, as a holder can surrender no more than that in his possession. The procedure on a mortgage has, in this respect, a great advantage, as the mortgagee can call into the one action all the holders, as he is entitled to have the land mortgaged sold as a unit.

The holder, if he is not the original debtor, or has not assumed the payment of the hypothecary debt, or undertaken to indemnify his vendor against it, may call in his vendor or any one bound to guarantee him against the hypothec, to defend the action, and may also delay his surrender by an exception of discussion, asking that the creditor, if he has not already done so, should sue his personal debtor and his sureties, if any, and have their property discussed, before pressing his demand for surrender.

If the holder surrenders on the demand, no costs can be adjudged against him; but if he contests the demand, and he is eventually condemned to surrender, he may be condemned personally to pay the hypothecary debt and costs, not because he is in any way bound to such payment, but as a penalty for his contumacy in not surrendering upon the demand to do so made upon him. In either case, the judicial sale of the hypothecated property proceeds, either on his surrender, or on his personal condemnation. The holder may also be condemned personally to pay the rents, issues and profits received and the deteriorations caused to the property, since the action was brought.

Until the actual sale the holder retains the ownership, and the effect of the action and of the surrender, if made, may be stopped by the debtor, or by the holder, or by any one bound to warrant the holder against the hypothecary debt, paying into court the debt, interest and costs.

The personal action and the hypothecary action can be taken at the same time, but separately, or they can be combined in the one action, called the personal-hypothecary, should the original debtor be still in possession of the hypothecated property.

The judicial sale of the land converts all claims against it into claims against the price. The price is distributed by a judgment of the court. The costs of the sale itself and of the action by which the property is brought to sale are first paid, then the privileged claims, such as assessments and rates, and out of the surplus are paid the hypothecary claims in order of date of registration.

The sale conveys to the purchaser the ownership of the property and all rights attached to it, which the holder might have exercised. It cancels any lease made by the debtor or other holder either instanter, or, as some think, at the end of the current year. A lessee, however, under a lease registered prior to the hypothec may, by opposition, demand that the sale be made subject to his lease; or, if made or registered subsequently to the hypothec, that the sale be made subject to his lease, on his giving security that the creditor's claim will be paid in full out of the proceeds of sale.

The mortgage presents several advantages over the hypothec. One of these has been already referred to, namely, that the mortgagee can, I understand, insist upon the land mortgaged being sold as a unit, while, with the hypothec, a separate action has to be taken against each holder of any part of the land hypothecated, each part, however, being liable for the whole debt, unless it has been otherwise stipulated.

Another advantage of the mortgage is that the mortgagee's rights cannot be disturbed, except by his own act. With us, the land hypothecated may be brought to sale at the suit of any judgment creditor of the holder. The hypothecary creditor is, therefore, bound to watch over his security, either by looking over the advertisements in the Official Gazette, or by registering with the registrar a notice of his address.

There are, besides, in this Province, a number of privileged claims, which rank before hypothecs. Some of these, like the amounts due to a builder for improvements made to the property, affect, through registration, the additional value given to it by such improvements; and others may prove to be of a dangerous character, when the holder is insolvent, such as his funeral expenses and those of his last illness, and certain law costs. These make it imperative for the creditor making a loan to choose a solvent debtor, as he always remains personally liable for any deficiency in the proceeds of the sale, and to obtain an ample margin of value. Moreover, loans of small amount are not to be encouraged, if secured by hypothec, as the costs of suit are practically the same, and privileged claims may absorb what in other cases would be an ample percentage of margin.

Nor can the creditor prevent his debtor selling his land to a purchaser who may possibly be litigious or otherwise undesirable, but he may stipulate the right to call up the loan at once and even to exact a penalty if his debtor should sell without his consent.

Yet, where care has been taken in making loans, little or no difficulty has been experienced by lenders.

Although we have nothing in this Province corresponding with the power of sale, there is a pleasing finality about the judicial sale. The purchaser at such sale becomes absolute owner, and can take immediate possession. The court will not readily interfere to set aside a sale, which is its own solemn act, unless fraud or artifice has been practiced with the purchaser's knowledge to keep people from bidding.

The hypothec is the usual move of obtaining security on land, but there is no reason why, when the proposed loan is large in comparison with the value of the security, and the debtor is willing, the sale with a right of redemption should not be used. The effect is the same as that of the common law mortgage. The land is conveyed to the lender for a price equal to the loan, the borrower reserving the right to redeem it by restoring the price within a term which cannot exceed ten years. The lender at the same time leases the property to the borrower at a rent equal to the interest, and payable at the same periods, the lessee undertaking to pay taxes, insurance etc., it being stipulated that should the lease be cancelled for cause, the lease and with it the right of redemption will end. The term is absolute and cannot be extended by the court. There is no difficulty in obtaining possession on a cancelled lease. Failing redemption, the lender remains absolute proprietor, but has no personal recourse against the borrower except for arrears of rent.

The hypothec has been so generally used here as the means of securing loans, that the pledge of land has been neglected. It differs in many respects from the hypothec, and has great possibilities, especially since the law on the subject, vague before the code, has, through the code, received a concrete and definite form. It gives the creditor in case of default not only the personal recourse against the debtor for payment, but also the option of retaining the land in payment of the debt.

EXCHANGE A SERIOUS BARRIER AGAINST CAPITAL FROM FRANCE

Position of the Franc is Much More Unfavorable Than That of the Pound From Mortgage Company Standpoint

The possibilities for French capital being brought out to Canada are much more remote than English capital, owing to the more unfavorable position of the French franc. This is even lower than it was one year ago, when it was ruling at over 12 cents compared with a normal rate of 19.3 cents. At the present time the franc is a little under 10 cents, which makes it scarcely one-half the normal price. Thus, money could be brought out to Canada only at a discount of 50 per cent. The movement, of course, is the other way, that is, money going from Canada and from the United States to purchase French securities. Several of these have been offered to the Canadian public during the past year or so, one of them on the stipulation that the proceeds would be expended on food and other supplies for the City of Paris stores.

The movement of money to France was carried on more or less from speculative motives when the franc was down lower than it was today, has been slowing up, however, as a chance of two to one is not considered good enough by the average speculator, particularly if, as is quite possible, he may have to wait a number of years until the franc is restored to normal once more.

In the main, however, French capital that has been out on loan in Canada, and particularly in the West, has been retained for the most part here, and has been sufficient to cover the special fields in which it has been most active for many years past.

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ATTITUDE OF MORTGAGE COMPANIES ON ONTARIO PROVINCIAL BANK SCHEME

Explained in Letter by Mortgage Association to Hon. Mr. Doherty

THE OBJECTIONS REGISTERED

Special Committee Advanced Arguments Along Sound Financial Lines and Particularly Emphasized the Heavy Taxes Being Paid

Letter by Legislation Committee of Dominion Mortgage and Investments' Association to Hon. Manning Doherty.

The purpose of our interview was to endeavor to arrange, through you, on behalf of the many companies taking deposits in Ontario and making loans to agriculturalists, an opportunity for representatives of such loan companies to discuss fully with members of your Government the effects upon existing machinery for supplying the mortgage credit likely to result from the proclamation of the Agricultural Development Finance Act, 1921, of which official announcement has not yet, to our knowledge, been made in the Ontario Gazette.

So far the representatives of companies organized, in accordance with the Ontario Statutes and subject to Government supervision for purposes identical with those contemplated in the Agricultural Development Act and deriving a large proportion of their funds by way of deposits in the same manner as is contemplated in the Agricultural Development Finance Act, have not had an opportunity of discussing with either yourself or the members of your Government, the effects of the last-named Act, if, or when, put into effect.

The opinion of the members of our Association generally is that your Government does not desire to put into effect legislation which will destroy or limit the development of existing institutions serving, provincially, a useful and constructive purpose, nor do they believe that it is the desire of your Government to supplement existing agencies for obtaining funds for mortgage purposes unless such agencies are deficient and cannot be adjusted so as to make provision for every legitimate demand upon them. If your Government has arrived at the conclusion that present agencies are deficient, and that legitimate demands for farm mortgage credit are not being met in a reasonable way, such a conclusion, we submit, is not based upon reliable data. Many of the existing agencies have been organized for half a century for the purpose of receiving on deposit savings and lending them for agricultural purposes, and are today in practical and daily touch with existing conditions. Representatives of these agencies which have taken so important a part in the agricultural development of the Province, and are still seeking opportunity for enlarging their sphere of usefulness in this respect, would request an opportunity of fully discussing with the members of your Government the precise reasons it may have for taking so radical a step as to give practical effect to the Agricultural Development Finance Act.

Our Mr. Long, President of the Association, and Mr. Appleton, the Secretary, were present at sessions of the Special Committee of the Legislature, when representations as to the Agricultural Development Act, 1921, and the Ontario Farm Loans Act, 1921, were being made. The Agricultural Development Finance Act, 1921, was not discussed while they were present, and from the discussion of the other bills the impression was left that the last-named would not be proclaimed until all other means of obtaining funds for the farm loan and short term loans had been exhausted, that impression was well founded inasmuch as:

(a) "Securing Capital for Associations" was provided for in Sections 49 and 50, Chapter 33, 1921, where clauses are to the effect that the Government could lend money to the contemplated associations or enter into arrangements with banks, loan companies or other corporations for securing such moneys;

(b) Section 31 clearly contemplates that the "lender" has no preference over other debts, unless the deed shall get 6 per cent., and the remaining one per cent. shall be paid to the association to cover its expenses, the "lender" contemplated being the parties referred to in (a);

(c) Sections 31 and 32 clearly indicate the intention to obtain funds from other sources than through Provincial Government Savings Offices, and during the course of the discussion in Committee, the point was emphasized that the "associations" and not the individual member, would borrow from the banks or others, these advances being guaranteed by the association, thus placing individual members in a stronger position to borrow; and finally—

(d) Failing these means of obtaining funds resort could then be had to proclamation of the Agricultural Development Finance Act the only one of the three bills dealing with the general question, the coming into force of which was deferred.

It was naturally, and properly, we submit, assumed that the only reason for providing that the Finance Act be not put into effect until proclaimed, was that its proclamation was to be subject to unforeseen exigencies, as in the case of all legislation subject to that condition.

In our conversation, it was observed by you that to build up an organization for the purpose of making long and short term loans to farmers, and place dependence upon the banks for the supply of funds, would not be judicious. We would respectfully submit in this regard, that if in the opinion of the Government, existing agencies for the provision of agricultural credit are inadequate, it can surely rely upon the co-operation of the banks and mortgage lending institutions in the consideration of such matters. It would indeed be a great surprise to us if you found them unwilling to place at your disposal the benefit of their experience, realizing as they do, that agricultural prosperity is essential to national progress on which the successful operation of our several institutions depend.

If, however, you proceed to apply the Finance Act, the consequences will be far-reaching, and must result in the Government ultimately displacing, to a large extent, efforts on the part of the people themselves under regulating legislation to maintain their own savings and mortgage lending institutions. This type of institution, which would be affected most directly, has developed under Ontario legislation and supervision provided by it, and in our opinion has secured for the agricultural borrower for a long period of years, loanable funds available at rates more favorable to them than is the case elsewhere in Canada or in any country where conditions are similar. Furthermore, Ontario savings and mortgage lending institutions have become widely and favorably known outside the bounds of their home province, and this has enabled them to bring funds from abroad for use in the province when borrowers can be found. Their ability to do this and to retain the confidence of the clientele within their home province, will be at once impaired when it is known that the province itself, to whose acts they owe their existence, is entering into competition with them by taking deposits for the purpose of lending to agricultural borrowers, the charges for such service not to be wholly determined by their cost, as deficits and losses would be a charge upon the public purse.

We would accentuate particularly the inequitableness of State competition with individuals or groups of citizens in the particular field the Province proposes to exploit. Sub-treasuries or savings banks are to be established:—

(a) Without charge for public funds supplied for organizations and other expenses;

(b) To be exempt from Dominion, Provincial and Municipal taxation;

(c) Losses and operating deficiencies to be a charge on public revenues.

It is not fair or equitable that existing agencies built up by citizens of the Province under the encouragement of legislation for precisely the same object—the providing of mortgage loans to farmers—should be subjected to competition from such proposed sub-treasuries which are not required to—

(a) Provide a stipulated amount of capital;

(b) Pay taxes to Municipalities, Provincial and Dominion Governments; also Ontario Registration fees;

(c) Provide out of the difference between what they pay for money borrowed and money loaned, all expenses, contingencies, losses and interest on the capital used.

Your provincial records disclose clearly enough the fact that earnings by loan, savings and trust companies are of a very modest character and disclose also the fact that the cost of administration is extremely reasonable. It is very commonly but erroneously assumed that the difference between the rate of interest paid on deposits and the rate obtained from borrowers permits of undue profits. By reference to the experience of existing companies of whose business your Government has extensive and accurate records, it will be found that for the services given to depositors and borrowers alike the remuneration of the agencies acting between them, obtained from said difference, is, let us repeat, entirely reasonable.

The steps already taken by your Government concerns vitally the future of many existing institutions, the representatives of which are of the opinion that you have not had before you information such as to justify the action taken, which, if persisted in, will inevitably contract the aggregate volume of credit available for employment in agricultural development.

UNREASONABLE TAXATION SUGGESTED BY FADDISTS IS BURDEN ON LOAN COMPANIES

(Continued from page 17)

the case of the average lending institution, give good ground for a radical revision of their operative policy.

It is not, however, in the West only that Governments are increasing their functions. In practically every capital of the Dominion, buildings planned to accommodate Government offices are found to be quite inadequate and other buildings are being rented in order to provide accommodation for new departments, new commissions, and new enterprises under operation by the Government. The result is that to maintain these departments, to cover losses on their operation, additional revenue has to be raised by taxation of the people themselves and the organizations formed by them as individuals. The State, obviously, is rapidly becoming the competitor of the community it is intended to serve.

While the demand for additional public revenue is becoming more incessant, and while the State is extending its operations in competition with the enterprises of its own people, there is apparent a great readiness on the part of legislators to interfere with contracts and to perpetuate the special legislation passed during the stress of war. In Manitoba and Saskatchewan the moratoria legislation still exists and in the latter Province the municipal debtor has been granted an asylum in case of trouble in the form of special powers bestowed upon a Local Government Board. At the 1922 session a measure passed the Legislature of the Province in question, which gives the Board referred to power to stay indefinitely all proceedings for the collection of a municipal debt, upon a municipality making application for an inquiry, and no provision is made for indemnifying creditors in the event of their being involved in loss through interruption to what has hitherto been the ordinary course of collection of municipal debt. In Alberta the covenant in mortgages, vitiated by legislation in 1916, still remains impaired—but let me add here that we have hopes that the present Government there, after giving the situation further study, will restore the mortgagor to the same position as is customary in other provinces.

Before leaving this matter, let me point out that in Quebec and other Provinces in Eastern Canada, there has not been the same disregard of the sanctity of contracts as in Ontario and the Western Provinces. During the stress of the war period, when the future was obscure, no thought was entertained of legislation designed to interfere with existing contracts. The result is that these Provinces are today enjoying stable conditions and the confidence of investors. Not until there is re-established a public opinion which will not tolerate interference with legally made contracts, can we hope to find going into the West the same volume of savings for investment that characterized the decade preceding the war.

Government Banks

The opening of Government Savings Branches in the Province of Ontario has added to the number of Provinces which have gone into the business of taking deposits, thus creating competition with loan and trust companies which have so long been the depositories of large amounts of the people's savings. These institutions are subject to heavy special taxation, both Provincial and Dominion, they have to pay a license fee and are under Government inspection, which forms a protection for those entrusting money to them. The Government, on the other hand, pays no taxes and their expenses are taken out of general revenue; thus the taxes paid by your companies go in part to support this unfair competition. The injustice of this will be readily appreciated.

An Act to amend "The Hospital Aid Act" of Manitoba provides for a lien on Lands of a Beneficiary but only to the same extent and with the same effect as a judgment registered under "The Judgments Act" except that it need not be renewed from time to time, but remains in force until discharged.

THE ATTORNMENT CLAUSE IN WESTERN MORTGAGES

From the report of the Legislation Committee to the Dominion Mortgage and Investments Association.

Particular attention is directed to the legislation passed by the legislature in Alberta with respect to the attornment clause in mortgages with respect to which Mr. Davis, counsel for the Manitoba Association says:

"It is believed that the request made upon the Government has been granted as there has been added to the Land Titles Act a section 69a, reading:

"69a. When a mortgagor or a purchaser of land where the purchase price is to be paid by instalments, agrees or has agreed to become the tenant of the mortgagee or of the vendor, as the case may be, the relationship of landlord and tenant shall be validly constituted between such persons.

"(2) The rent payable under any such agreement shall not exceed a fair annual rack rent.

"(3) No such agreement shall of itself operate or be considered as a taking of possession of the mortgaged premises or land by the mortgagee or vendor, as the case may be."

In formulating procedure under this change, considerable difference of opinion has arisen as to the usefulness of the change made. Mr. Howard, vice-president of the Alberta Association, says:

"There seems to be considerable uncertainty as to the power of the mortgagee to execute a lease as provided in the Crop Payment Act without having in some way gone into possession of the property and the Torrens system presents obstacles to a mortgagee going into possession without commencing proceedings under either section 62 or 62a of the Land Titles Act. We are anxious to have a uniform lease which the mortgage companies could use and preparation of this lease was the immediate cause of the investigation into the mortgagee's rights.

"From several opinions examined, it is noted that in order to be quite safe as against third parties, it will be necessary for us to serve a form of notice as required by section 62a so as to put the mortgagee in the position of being legally in possession and able to give a valid lease."

ESTABLISHED 1870.

The Southern Loan & Savings Company

ST. THOMAS, Ontario.

Capital paid up	$ 900,000.00
Reserve	$ 300,000.00
Total Assets	$2,606,928.00

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R. KAINS, M.D., Vice-President. J. A. BELL, C.E., 2nd Vice-President. C. W. MARLATT, M.D. E. A. MILLER, W. H. WICKETT, B.A. J. H. HOPKINS,

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20	$42.25
25	45.05
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HEAD OFFICE - - WATERLOO, ONTARIO

The Financial Post Leads

Standard Rate and Data Service of Chicago, the recognized authority on circulation of publications in the United States, and which quotes circulation of Canadian Publications with equal authority, lists the Financial Papers of Canada as follows:

The Financial Post	A.B.C.,12-31-21	8569
Second Paper	not sworn	6092
Third Paper	not sworn	3500
Fourth Paper	not sworn	2800

The supremacy is greater than the mere numbers show. Consider a point or two behind the figures.

1. THE FINANCIAL POST circulation is sworn—sworn to not by ourselves, but by the Audit Bureau of Circulations auditors, after they have gone over our figures, inspected subscription receipts, thrown out any subscriptions over 6 months in arrears.
2. To have 8,569 paid circulation on December 31, 1921, it was necessary to print 9,314 copies—for the Audit Bureau of Circulations does not count as subscribers any advertisers who receive copies as such.
3. No other financial publication in Canada subjects its circulation figures to such a scrutiny.
4. THE FINANCIAL POST circulation continues to grow. On March 3, 1922, the paid numbered 8,808, the press run 9,530.
5. Every subscriber to THE FINANCIAL POST has paid $5.00 for his year's subscription. The highest price asked by other financial papers is $3.00 per year.
6. Subscribers are glad to pay this higher price because they can see in the editorial service of THE FINANCIAL POST that the revenue is used to make a more thorough paper.
7. THE FINANCIAL POST readers are the leading business men, public officials, investors of Canada—the same men whose appreciation is so worth while—whose purchasing power, for themselves and the organizations they direct, is so great.

These readers form a huge, selected audience worth reaching assuredly for all having a message for such big men.

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DIVIDENDS

Canadian Pacific Railway Company
Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account, was declared payable on 30th June next to shareholders of record at 3 p.m. on 1st June next.

By order of the Board.
ERNEST ALEXANDER,
Secretary.
Montreal, 3rd May, 1922.

DUPUIS FRERES LIMITEE
Dividend Notice

Notice is hereby given that a dividend of 2% for the quarter ending the 30th of April, 1922, being at the rate of 8% per annum, has been declared upon the paid-in Cumulative Preferred Stock of the Company to shareholders of record at the close of business on the 29th day of April, 1922, and payable on the 15th of May, 1922.

By order of the Board.
ARMAND DUPUIS,
Secretary-Treasurer.
Montreal, 25th of April, 1922.

BANK OF MONTREAL

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Institution has been declared for the current quarter, payable on and after Thursday, the 1st day of June next, to Shareholders of record of 30th April, 1922.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st April, 1922.

The Canadian Bank of Commerce
Dividend No. 141

Notice is hereby given that a dividend of three per cent., upon the capital stock of this bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the bank and its branches, on and after Thursday, 1st June, 1922. The transfer books of the bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st April, 1922.

The Royal Bank of Canada
Dividend No. 139

Notice is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of June next, to shareholders of record at the close of business on the 15th day of May.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., April 13, 1922.

1915	250,000	31,000	8	12.4	8.1
1916	359,450	37,865	8	12.0	8.2
1917	372,890	43,932	8	12.2	8.0
1918	375,000	43,426	8	11.7	7.6
1919	502,300	51,912	8	12.6	8.2
1920	600,000	59,303	8	10.6	7.4
1921	749,840	65,856	8	9.2	6.5

* Interest on debentures and deposits

EAST LAMBTON FARMERS' LOAN & SAVINGS CO., FOREST, ONT.

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$ 28,814	$ 28,432	$ 29,910	$ 30,404	$ 28,823
Interest—					
On deposits	$ 5,731	$ 5,031	$ 4,442	$ 4,642	$ 4,883
On debentures	4,417	4,168	4,279	4,496	4,818
Expenses	1,661	2,243	2,360	2,583	2,517
Taxes	838	845	997	2,662	2,419
	$ 12,647	$ 12,287	$ 12,078	$ 14,383	$ 14,637
Net profits	$ 16,167	$ 16,145	$ 17,832	$ 16,021	$ 14,186
Prem. on stock	620	20	290	670	410
	$ 16,787	$ 16,165	$ 18,122	$ 16,691	$ 14,596
Distribution—					
Dividend	13,111	13,212	13,251	13,391	13,596
Reserve	3,676	2,950	4,871	3,300	1,000
	$ 16,787	$ 16,165	$ 18,122	$ 16,691	$ 14,596

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1913	$ 200,000	$ 12,715	6	6.3	5.8
1914	209,825	14,183	6	7.0	6.1
1915	213,250	16,432	6	7.8	7.0
1916	217,000	15,411	6	7.3	6.0
1917	220,100	16,167	6	7.3	6.0
1918	220,200	16,145	6	7.3	6.0
1919	221,650	17,832	6	8.0	6.4
1920	225,000	16,021	6	7.1	5.7
1921	227,050	14,186	6	6.4	5.0

EASTERN TRUST COMPANY, HALIFAX

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$121,129	$126,081	$131,766	$140,137	$133,511
Directors' fees	$ 7,562	$ 7,750	$ 7,750	$ 9,750	$ 11,250
Patriotic, etc.	4,200	4,450	1,000	....	1,000
Written off	....	4,000	....	2,000	....
Furniture	11,075	5,889	391	3,571	1,298
Taxes	2,713	2,313	4,606	22,468	16,046
	$ 25,548	$ 24,402	$ 13,747	$ 37,789	$ 29,594
Net profits	$ 95,581	$101,679	$118,019	$102,348	$103,917
Bal. forward	37,998	53,476	25,154	25,672	18,019
	$133,579	$155,155	$143,173	$128,020	$121,936
Distribution—					
Dividends	$ 80,000	$ 80,000	$ 87,500	$ 90,000	$ 97,500
Reserve	.....	50,000	30,000	20,000	.....
Balance	53,478	25,155	25,673	18,019	24,436
Good Rd. Assoc.	100	.....	.....	.....	.....
	$133,579	$155,155	$143,173	$128,020	$121,936

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 747,800	$ 56,981	7	9.4	8.0
1913	904,000	80,899	7	10.6	8.1
1914	931,000	78,244	8	8.9	7.6
1915	1,000,000	89,156	8	9.5	7.3
1916	1,000,000	91,000	8	9.2	7.2
1917	1,000,000	95,581	8	9.5	8.0
1918	1,000,000	101,679	8	10.1	8.0
1919	1,000,000	118,019	9	11.8	8.9
1920	1,000,000	102,348	9	10.2	7.6
1921	1,000,000	102,348	*10	10.3	7.6

*Increased to 10 per cent. during the year.

EMPIRE LOAN COMPANY, WINNIPEG

Distribution of Earnings

	1917	1918	1919	1920	1921
Profits	$35,458	$17,776	*$26,462	*$33,880	$27,201
Balance forward	1,083	492	18,232	10,447	*5,387
	$36,541	$18,258	$44,694	$44,327	$32,588
Distribution—					
Dividend	$35,990	$.....	$24,219	$27,623	$31,262
Instal. Shareholders	59	26	27	27	28
Reserve	.....	.....	10,000	10,000	.....
Balance	492	18,232	10,447	6,677	1,298
	$36,541	$18,258	$44,694	$44,327	$32,588

*Less income taxes.

FRONTENAC LOAN AND INVESTMENT SOCIETY, KINGSTON, ONT.

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$ 17,763	$ 18,059	$ 18,132	$ 17,498	$ 17,387
Interest	1,599	1,501	1,514	1,380	1,236
Expenses	3,732	4,499	4,644	5,018	5,870
	$ 5,331	$ 6,000	$ 6,158	$ 6,398	$ 7,106
Net profits	$ 12,432	$ 12,059	$ 11,974	$ 11,100	$ 10,281
Dividends	11,000	11,000	11,000	10,000	10,000
Balance	1,432	1,059	973	1,100	282
	$ 12,432	$ 12,059	$ 11,973	$ 11,100	$ 10,282

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1914	$ 200,000	$ 10,900	5	5.4	4.8
1915	200,000	11,500	5	5.8	5.0
1916	200,000	11,550	5	5.8	5.0
1917	200,000	12,432	5½	6.2	5.4
1918	200,000	12,059	5½	6.0	5.0
1919	200,000	11,974	5½	5.9	4.9
1920	200,000	11,100	5	5.5	4.8
1921	200,000	10,281	5	5.1	4.4

GREAT WEST PERMANENT LOAN COMPANY, WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
*Net profits	$206,388	$207,879	$161,598	$157,715	$129,069
Off bank stock	31,087	.....	.....	.....	.....
	$175,301	.....	.....	.....	.....
Bal. forward	15,744	.....	.....	15,867	2,863
	$191,045	.....	.....	$173,582	$131,932
Distribution—					
Dividends	$120,367	$	$ 60,190	$120,719	$120,752
Reserve	70,678	207,879	85,540	50,000	.....
Balance	.....	.....	15,868	2,863	11,180
	$191,045	$207,879	$161,598	$173,582	$131,932

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$2,247,298	$225,849	9	11.0	8.6
1913	2,356,025	265,301	9	11.6	9.1
1914	2,400,484	244,266	9	10.1	7.9
1915	2,410,925	203,667	†8	8.4	6.6
1916	2,411,862	208,253	8	8.7	6.7
1917	2,412,566	206,338	5	8.5	6.6
1918	2,412,578	207,879	..	8.6	6.8
1919	2,413,018	161,598	5	6.7	5.0
1920	2,414,663	157,715	5	6.5	4.9
1921	2,415,863	129,069	5	5.3	4.0

*After deducting expenses, taxes, interest, etc.
†For first half of year 9 per cent. was paid and 7 per cent. in the last half.

GREY AND BRUCE LOAN CO., OWEN SOUND

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 47,452	$ 51,505	$ 51,014	$ 50,094	$ 49,349
Interest—					
Debentures	$ 6,206	$ 6,448	$ 6,021	$ 5,783	$ 4,987
Deposits	4,520	5,128	5,416	5,439	6,364
Taxes	1,709	1,837	2,625	3,118	6,410
Fees	471	457	449	580	592
War Tax	418	448	447	508	474
Patriotic	250	.....	.....	.....	.....
Expenses	2,907	2,914	3,943	4,167	3,859
	$ 16,481	$ 17,232	$ 18,901	$ 19,595	$ 22,686
Net profits	$ 30,971	$ 34,273	$ 32,113	$ 30,499	$ 26,663
Bal. forward	85	408	30	484	.....
	$ 31,056	$ 34,681	$ 32,143	$ 30,983	$ 26,664
Distribution—					
Dividends	$ 26,648	$ 36,649	$ 26,659	$ 26,663	$ 26,663
Reserve	4,000	8,000	5,000	2,000	.....
Balance	408	31	484	.....	.....
Contingent	.....	.....	.....	2,319	.....
	$ 31,056	$ 34,680	$ 32,143	$ 30,983	$ 26,663

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 440,880	$ 26,632	6	7.6	6.8
1913	442,730	28,008	6	6.7	6.0
1914	443,895	29,824	6	6.7	6.1
1915	443,895	29,571	6	6.7	5.8
1916	444,145	29,601	6	7.0	6.2
1917	444,145	30,971	6	7.2	6.4
1918	444,175	34,273	6	7.8	6.9
1919	444,350	32,113	6	7.3	6.3
1920	444,380	30,499	6	6.9	5.9
1921	444,380	26,663	6	6.0	5.1

GUELPH AND ONTARIO INVESTMENT AND SAVINGS SOCIETY, GUELPH

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$285,768	$278,038	$	$	$131,456
Interest—					
Dep. and debs.	$119,323	$115,959	$	$	$ .....
Gen. int.	.....	556	.....	.....	.....
Commission	637	878	.....	.....	.....
Taxes	3,022	3,207	.....	.....	5,576
Expenses	23,280	24,581	.....	.....	927
Patriotic	1,400	1,500	.....	.....	.....
War Tax	8,708	7,849	.....	.....	.....
	$156,370	$154,530	$	$	$ 6,503
Profits	$129,398	$123,508	$143,771	$117,663	$124,953
Prem. on stock	2,312	.....	.....	.....	.....
Bal. forward	38,116	41,008	31,415	34,842	25,767
	$169,826	$164,516	$175,186	$152,505	$150,720
Dividends	$ 76,506	$ 83,099	$ 90,344	$ 96,332	$ 96,489
Reserve	52,312	50,000	50,000	30,000	.....
Forward	41,008	31,416	34,842	26,783	54,231
	$169,826	$164,515	$175,186	$152,505	$150,720

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 524,000	$104,629	10	19.9	11.3
1913	594,370	109,057	10	18.3	10.6
1914	608,310	114,024	10	18.8	9.9
1915	643,695	122,180	10	19.5	9.9
1916	711,983	130,668	10	18.4	10.0
1917	782,701	129,398	10	17.0	8.5
1918	847,847	123,508	10	14.8	7.6
1919	923,233	143,771	10	15.9	8.7
1920	964,840	117,663	10	12.4	6.6
1921	965,080	124,953	10	13.0	6.7

THE GUELPH TRUST COMPANY, GUELPH

Distribution of Earnings.

	1918	1919	1920	1921
Earnings	$ 23,397	$	$	$ 28,741
Expenses	$ 1,365	.....	.....	.....
Taxes	.....	.....	.....	2,878
Net profits	$ 22,032	$ 20,906	$ 23,649	$ 25,863
Balance forward	3,129	5,738	7,019	6,043
Premium on stock	201	.....	.....	300
	$ 25,362	$ 26,644	$ 30,668	$ 32,206
Distribution—				
Dividends	$ 14,624	$ 14,625	$ 14,625	$ 14,757
Reserve	5,000	5,000	10,000	10,300
Balance	5,738	7,019	6,043	7,150
	$ 25,362	$ 26,644	$ 30,668	$ 32,207

HAMILTON PROVIDENT AND LOAN SOCIETY, HAMILTON, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$313,843	$312,272	$320,051	$338,720	$337,176
Interest	$ 93,460	$ 94,787	$ 97,147	$ 97,550	$ 96,353
Expenses	33,919	38,017	38,908	46,419	45,746
Com. on loans	2,904	3,911	5,695	4,275	3,822
Inspect'n of land	6,292	6,493	7,641	9,245	7,791
Government tax	3,026	3,166	*10,930	3,919	26,539
War Tax	5,760	5,051	.....	15,417	.....
	$145,361	$151,425	$160,321	$176,825	$180,251
Net profits	$168,482	$160,847	$159,730	$161,895	$156,925
Distribution—					
Dividends	$ 96,000	$ 96,000	$108,000	$108,000	$120,000
Reserve	70,000	64,846	50,000	50,000	.....
Contingent	2,482	.....	1,730	3,894	36,925
	$168,482	$160,846	$159,730	$161,894	$156,925

*Includes war tax.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,160,000	$143,740	7	12.4	7.4
1913	1,200,000	148,042	7	12.4	7.4
1914	1,200,000	160,842	8	13.4	7.8
1915	1,200,000	161,449	8	13.4	7.6
1916	1,200,000	173,031	8	14.4	8.2
1917	1,200,000	168,482	8	14.0	7.7
1918	1,200,000	160,846	8	13.3	7.0
1919	1,200,000	159,730	9	13.2	6.6
1920	1,200,000	161,895	9	13.4	6.7
1921	1,200,000	156,925	10	13.0	6.2

HOME INVESTMENT AND SAVINGS ASSOCIATION WINNIPEG, MAN.

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$113,809	$106,523	$101,231	$106,411	$ 89,682
Taxes	$ 1,130	$ 1,115	$ 1,192	$ 1,129	$ 1,267
War tax	4,182	3,830	8,798	10,241	6,802
	$ 5,312	$ 4,945	$ 9,990	$ 11,370	$ 8,069
Net profits	$108,497	$101,578	$ 91,241	$ 95,041	$ 81,613
Prem. on stock	836	386	50	10	10
Bal. forward	21,636	42,200	63,065	74,463	90,122
Adjust. of taxes	....	....	....	....	4,947
	$130,969	$144,164	$154,356	$169,514	$176,692
Distribution—					
Dividends	$ 88,769	$ 79,183	$ 79,358	$ 79,392	$ 79,404
Balance	42,200	64,980	74,998	90,122	97,288
	$130,969	$144,164	$154,356	$169,514	$176,692

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 856,511	$124,721	9	14.5	10.7
1913	862,490	134,598	9	15.6	10.8
1914	969,300	134,387	9	14.5	9.8
1915	981,726	123,059	9	12.6	8.3
1916	984,481	111,006	9	11.2	7.4
1917	989,131	108,497	9	11.0	7.1
1918	991,928	101,578	8	10.3	6.6
1919	992,352	91,241	8	9.2	6.0
1920	992,482	95,041	8	9.6	6.0
1921	992,630	81,613	8	8.2	5.5

HURON AND ERIE MORTGAGE CORPORATION LONDON, ONT.

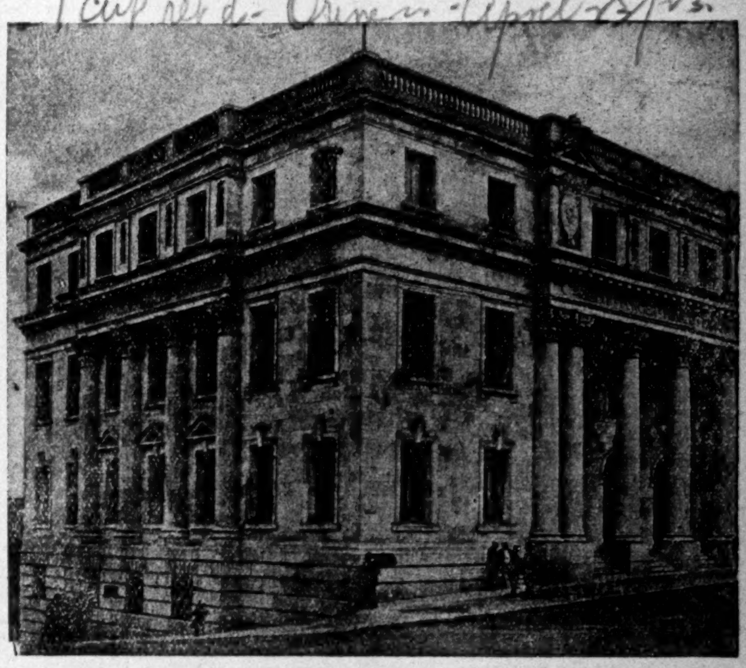
Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$450,192	$474,069	$535,610	$549,600	$561,123
Taxes	$ 8,381	$ 8,099	$ 27,288	$ 34,521	$ 29,679
War Tax	11,235	13,477	11,585	9,136	.....
Patriotic	9,425	5,825	3,700	.....	.....
	$ 29,041	$ 27,401	$ 42,573	$ 43,657	$ 29,679
Net profits	$421,151	$446,668	$493,037	$505,943	$531,444
Bal. forward	85,519	86,670	23,337	16,317	22,317
	$506,670	$533,338	$516,374	$522,317	$553,761
Distribution—					
Dividends	$300,000	$300,000	$300,000	$350,000	$350,000
Pension	10,000	10,000	......	......	......
Branch exten.	10,000	......	......	......	......
Reserve	100,000	200,000	200,000	150,000	150,000
Balance	86,670	23,338	16,374	22,317	53,761
	$506,670	$533,338	$516,374	$522,317	$553,761

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$2,100,000	$332,220	11	16.3	7.8

CREDIT FONCIER FRANCO-CANADIEN
HEAD OFFICE: MONTREAL



Mortgage Money to Lend
In Amounts to Suit Borrowers
MANAGEMENT
T. R. NELSON R. de ROUMEFORT
Ass't-Manager
J. THEO. LECLERC
APPLY TO COMPANY'S OFFICES:
Montreal Quebec Toronto Winnipeg
Regina Edmonton Vancouver
Local Agents Throughout the Dominion
PARIS (FRANCE) OFFICE:
18 Rue des Capucines

Executor, Trustee, Agent

Confidential discussions between our officers and parties interested in any phase of trust company business are invited without obligation or charge.

Crown Trust Co.
145 St. James Street MONTREAL

THE TRUST & LOAN CO. OF CANADA
INCORPORATED 1843
Subscribed Capital £3,600,000—Paid-up Capital £1,350,000
Money Advanced on Improved Real Estate
Offices in Canada:
MONTREAL, P.Q. WINNIPEG, Man. REGINA, Sask.

The
EASTERN TRUST COMPANY
Incorporated 1893
Head Office, Halifax, N.S.
Branch Offices:
MONTREAL, Que.
ST. JOHN'S, Newfoundland CHARLOTTETOWN, P. E. I.
ST. JOHN, N. B.
Paid up Capital - - - $1,000,000.00
Reserve - - - - 350,000.00
Amount of Estates held in Trust
$30,079,517.88

1913	2,100,000	368,588	12	17.5	8.4
1914	2,406,201	400,116	12	17.3	8.5
1915	2,458,415	409,203	12	17.0	7.8
1916	2,500,000	419,262	12	16.4	7.7
1917	2,500,000	421,151	12	17.0	7.4
1918	2,500,000	446,668	12	17.8	7.9
1919	5,000,000	493,037	6	9.8	8.3
1920	5,000,000	505,943	6+1	10.1	8.4
1921	5,000,000	531,444	6+1	10.6	8.4

THE IMPERIAL CANADIAN TRUST COMPANY, WINNIPEG

Distribution of Earnings.

	1918	1919	1920	1921
Profits	$ 20,029	$ 41,045	$ 77,013	$ 76,578
Taxes	......	......	12,853	9,685
Net profits	$ 20,029....	$ 41,045	$ 64,100	$ 66,893
Bal. forward ...	......	20,029	......	9,341
	$ 20,029	$ 61,074	$ 64,160	$ 76,234
Distribution—				
Dividends.. ..	$	$ 23,224	$ 46,980	$ 48,085
Reserve	.....	37,850	7,838	20,000
Balance.	20,029	......	9,341	8,149
	$ 20,029	$ 61,074	$ 64,160	$ 76,234

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1921	$ 964,002	$ 66,893	5	6.9	5.8
1920	946,349	64,160	5	6.8	5.9
1919	930,185	41,045	2½	4.4	3.8
1918	912,500	20,029	..	2.2	2.0

THE IMPERIAL TRUST CO. OF CANADA, TORONTO

Distribution of Earnings.

	1919	1920	1921
Net profits...	$13,573	$ 22,857	$ 14,687
Bal. forward	3,010	10,417	20,942
	$ 16,583	$ 33,274	$ 35,629
Distribution—			
Dividends	$ 6,165	$ 12,332	$ 12,984
Balance	10,417	20,942	22,644
	$16,583	$ 33,274	$ 35,628

INDUSTRIAL MORTGAGE AND SAVINGS COMPANY, SARNIA, ONT.

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings..	$133,083	$138,311	$156,075	$165,676	$177,560
Interest—					
Debenture	$ 27,101	$ 29,793	$ 32,257	$ 36,397	$ 40,223
Deposits	24,138	24,888	27,856	29,266	32,775
Expenses	9,460	10,261	11,882	13,226	13,733
Registration.. ..	155	155	270	423	295
Taxes..	1,389	1,736	4,625	6,248	16,473
Com. on loans.	535	1,027	1,729	1,967	2,344
War tax	1,256	1,243	.....	.....	.....
Written off ..	836	500	1,500	1,665	.....
Gen. interest	.....	.....	.....	.....	606
	$ 64,870	$ 69,603	$ 80,119	$ 89,192	$106,449
Net profits	$ 68,213	$ 68,708	$ 75,956	$ 76,484	$ 71,111
Prem. on stock..	16,550	.....	.....	.....	.....
Bal. forward ...	2,899	508	510	742	88
	$ 87,662	$ 69,216	$ 76,466	$ 77,226	$ 71,199
Distribution—					
Dividends.. ..	$ 50,153	$ 50,706	$ 50,723	$ 57,138	$ 50,800
Reserve	37,000	18,000	25,000	20,000	20,000
Balance	508	510	743	88	399
	$ 87,661	$ 69,216	$ 76,466	$ 77,226	$ 71,199

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1913	$ 563,089	$ 53,687	7	9.5	6.9
1914	598,056	58,510	7	9.8	7.1
1915	599,122	57,936	7	10.4	6.6
1916	601,297	64,987	7½	10.8	7.0
1917	633,750	68,213	8	11.0	7.2
1918	633,850	68,708	8	10.9	6.9
1919	634,100	75,956	8	11.0	7.5
1920	635,000	76,484	8+1	12.1	7.4
1921	635,000	71,111	8	11.3	6.6

INVESTMENT CORPORATION OF CANADA, LONDON, ENG.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$254,455	$241,400	$187,195	$262,630	$295,860
Commission	$ 30,375	$ 26,075	$ 21,940	$ 21,000	$ 19,960
Expenses	16,745	14,150	19,165	17,325	15,395
Taxes	38,695	16,230	27,355	9,695	39,820
Interest	64,850	58,436	58,435	58,440	58,440
Written off	.....	5,000	.....	.....	.....
	$150,665	$119,891	$126,895	$106,460	$133,615
Net profits	$103,790	$121,509	$ 60,300	$156,170	$162,245
Bal. forward	9,370	15,650	12,630	5,425	19,090
Taxes recovered.	.....	17,975	.....	.....	.....
	$113,160	$155,134	$ 72,930	$161,590	$181,335
Distribution—					
Dividends	$ 97,500	$117,500	$ 67,500	$117,500	$ 67,500
Reserve	.....	25,000	.....	25,000	25,000
Balance	15,660	12,635	5,425	19,090	88,835
	$113,160	$155,135	$ 72,930	$161,590	$181,335

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

INVESTORS' MORTGAGE SECURITY CO., SCOTLAND

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$685,320	$645,185	$687,525	$781,855	$746,990
Directors' fees ..	$ 28,370	$ 27,780	$ 27,775	$ 28,230	$ 28,345
Expenses	16,860	15,765	19,510	18,960	15,020
Interest	157,540	152,895	163,830	172,720	176,876
Income tax	138,695	174,700	190,680	193,225	152,890
	$341,465	$371,140	$401,795	$413,135	$373,131
Profits	$343,855	$274,045	$285,730	$368,720	$373,859
Bal. forward	74,525	71,880	73,635	68,900	71,260
	$418,380	$345,925	$359,365	$437,620	$445,119
Distribution—					
Dividends	$277,500	$268,180	$259,000	$273,000	$273,000
Reserve	.....	.....	31,465	93,360	.....
Contingent ...	69,000	4,110	.....	.....	94,375
Balance	71,880	73,635	68,900	71,260	77,744
	$418,380	$345,925	$359,365	$437,620	$445,119

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$3,750,000	$325,345	9½	8.8	8.2
1913	5,000,000	399,840	10½	8.0	8.1
1914	5,000,000	433,840	10½	8.6	6.6
1915	5,000,000	394,870	10½	7.8	5.9
1916	5,000,000	395,150	11	7.9	6.0
1917	5,000,000	343,855	11	6.8	5.2
1918	5,000,000	274,045	11	5.5	4.0
1919	5,000,000	285,730	11	5.7	4.2
1920	5,000,000	368,720	12	7.3	5.4
1921	5,000,000	373,859	12	7.4	5.4

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

LAMBTON LOAN AND INVESTMENT COMPANY, SARNIA, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$186,188	$181,904	$198,616	$203,090	$ .....
Interest—					
Debentures	$ 22,250	$ 21,300	$ 24,200	$ 30,500	$ .....
Deposits	43,598	39,938	40,726	42,357	.....
Taxes	3,926	4,315	4,674	8,504	.....
Expenses	13,130	13,017	14,085	16,013	.....
Commissions ..	1,014	581	195	110	.....
	$ 83,918	$ 79,151	$ 83,880	$ 97,484	$ .....
Profits	$102,270	$102,753	$114,736	$105,606	$105,642
Distribution—					
Dividends	$ 63,180	$ 78,975	$ 78,975	$ 78,975	$ 78,975
Reserve	35,000	23,777	35,761	25,000	25,000
Contingent ...	90	.....	.....	93	1,667
Car. to Premises	4,000	.....	.....	737	.....
Car. to Furnit.	.....	.....	.....	800	.....
	$102,270	$102,753	$114,736	$105,606	$105,642

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 789,750	$ 89,460	9	11.8	6.4
1913	789,750	94,750	9	12.1	6.8
1914	789,750	90,004	8	11.4	6.4
1915	789,750	93,234	8	11.8	6.0
1916	789,750	100,412	8+1	12.7	6.9
1917	789,750	102,270	8	13.0	6.8
1918	789,750	102,753	8+2	13.0	6.7
1919	789,750	114,736	8+2	14.5	7.4
1920	789,750	105,606	8+2	13.5	6.6
1921	789,750	105,642	8+2	13.5	6.5

LANDED BANKING AND LOAN CO., HAMILTON

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$249,548	$240,171	$238,368	$245,139	$246,305
Interest—					
Deposits	$ 40,203	$ 35,589	*$72,258	*$72,502	*$71,690
Debentures ...	39,317	37,546	.....	.....	.....
Taxes	2,855	2,951	15,653	18,747	16,220
Expenses	26,317	29,400	29,859	34,616	36,943
War tax	3,971	4,384	.....	.....	.....
Patriotic	1,000	800	.....	.....	.....
	$113,663	$110,670	$117,770	$125,865	$124,853
Net profits	$135,885	$129,501	$120,598	$119,274	$121,452
Bal. forward	6,348	7,232	6,732	2,330	1,603
	$142,233	$136,733	$127,330	$121,604	$123,055
Distribution—					
Dividends	$ 80,000	$ 80.000	$ 80,000	$ 80,000	$ 80,000
Reserve	55,000	50,000	45,000	40,000	35,000
Balance	7,233	6.733	2.330	1,603	8,055
	$142,233	$136,733	$127,330	$121,603	$123,055

*Includes interest on deposits and debentures.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 700,000	$100,588	7	14.3	8.5
1913	929,126	106,243	7½	12.6	7.8
1914	978,500	121,472	8	12.7	7.7
1915	987,970	128,678	8	13.2	6.8
1916	1,000,000	131,084	8	13.1	7.6
1917	1,000,000	135,885	8	13.5	7.9
1918	1,000,000	129,501	8	12.9	7.2
1919	1,000,000	120,598	8	12.0	6.4
1920	1,000,000	119,274	8	11.9	6.2
1921	1,000,000	121,452	8	12.1	6.0

THE LONDON LOAN AND SAVINGS COMPANY OF CANADA, LONDON, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$129,447	$ 84,320	$ 83,421	$ 81,125	$ 73,191
Interest—					
Deposits	$ 20,113	$	$	$	$ .....
Debentures ...	45,014	.....	.....	.....	.....
Commissions ..	1,124	.....	.....	.....	.....
Expense	18,629	.....	.....	.....	.....
Taxes	8,438	.....	.....	.....	.....
Patriotic	700	400	300	.....	.....
	$ 94,018	$ 400	$ 300	$	$ .....
Net profits	$ 35,429	$ 83,920	$ 83,121	$ 81,125	$ 73,191
Bal. forward ...	29,894	1,925	2,385	3,338	2,177
	$ 65,323	$ 85,845	$ 85,506	$ 84,463	$ 75,368
Distribution—					
Dividends	$53,198	$ 53,260	$ 62,168	$ 62,286	$ 62,398
Bonus appr. ..	10,200	10,200	.....	.....	.....
Reserve	.....	20,000	20,000	20,000	10,000
Balance	1,925	2,385	3,338	2,177	2,971
	$ 65,323	$ 85,845	$ 85,504	$ 84,463	$ 75,368

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 740,866	$ 74,052	6	10.1	8.0
1913	839,227	97,552	6+2	12.4	9.6
1914	857,224	101,697	6+1	12.0	9.3
1915	882,889	117,817	6+1¼	13.5	10.0
1916	884,283	81,225	6	9.2	6.7
1917	887,398	35,429	6+1	4.1	2.9
1918	887,849	83,920	6+1	9.5	6.9
1919	888,321	83,121	7	9.4	6.6
1920	891,383	81,125	7	9.2	6.3
1921	891,444	73,191	7	8.2	5.6

LONDON AND WESTERN TRUSTS CO., LONDON, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 52,551	$ 56,113	$ 62,327	$ 65,569	$ 40,255
Written off	$	$	$	$ 1,500	$ 3,075
Taxes	2,000	3,000	1,192	.....	9,807
Net profits	$ 50,551	$ 53,113	$ 61,135	$ 64,069	$ 27,373
Balance	9,386	9,938	8,051	14,186	13,255
	$59,937	$ 63,051	$ 69,186	$ 78,255	$ 40,628
Distribution—					
Dividends	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Reserves	15,000	20,000	20,000	30,000	.....
Balance	9,937	8,051	14,186	13,255	5,628
	$ 59,937	$ 63,051	$ 69,186	$ 78,255	$ 40,628

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 350,000	$ 29,922	6	8.8	7.2
1913	400,000	37,368	6	9.5	8.6
1914	484,195	45,676	6½	9.7	9.4
1915	500,000	53,486	7	10.8	9.2
1916	500,000	51,651	7	10.3	8.2
1917	500,000	50,551	7	10.1	7.8
1918	500,000	53,113	7	10.6	8.0
1919	500,000	61,135	7	12.2	9.0
1920	500,000	64,069	7	12.8	9.1
1921	500,000	27,373	7	5.4	3.7

MERCANTILE TRUST CO. OF CANADA, HAMILTON

Distribution of Earnings.

	1917	1918	1919	1920	1921
Profits	$ 40,389	$ 49,481	$ 55,470	$ 56,736	$ 55,325
Written off	$	$ 4,962	$ 6,745	$	$ 5,308
Patriotic	$	825	.....	.....	.....
Tax reserve	.....	.....	3,000	4,000	3,500
	$	$ 5,787	$ 9,745	$ 4,000	$ 8,808
Net profits	$ 40,389	$ 43,694	$ 45,725	$ 52,736	$ 46,517
Bal. forward ...	20,997	32,786	15,546	7,578	16,314
Prem. on stock..	700	205	620	.....	.....
	$ 62,086	$ 76,685	$ 61,891	$ 60,314	$ 62,831
Distribution—					
Dividends	$ 28,599	$ 29,174	$ 29,313	$ 35,000	$ 30,000
Contingent ...	.....	.....	.....	2,500	1,000
Reserve	700	28,935	25,000	.....	25,000
Depreciation ..	.....	3,029	.....	6,500	.....
Balance	32,786	15,546	7,578	16,314	6,831
	$ 62,086	$ 76,685	$ 61,891	$ 60,314	$ 62,831

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1913	$ 452,100	$ 41,830	6	10.5	9.0
1914	461,000	37,276	6	8.3	7.2
1915	466,800	42,660	6	9.2	8.0
1916	469,500	39,990	6	8.7	7.4
1917	483,500	40,389	6	8.4	7.1
1918	487,600	43,694	6	9.0	7.4
1919	500,000	45,725	6	9.5	7.6
1920	500,000	52,736	6+1	10.5	8.3
1921	500,000	46,517	6	9.3	7.0

Permanent Indeed!

Before the Dominion of Canada was established—when the different provinces were struggling to find a common ground for union—The Canada Permanent Mortgage Corporation was already serving the peoples of this young country.

Since those early days of 1855 the Canada Permanent has assisted many to safeguard and increase their savings—has advanced to many a farmer the money which set him on his feet—has loaned the city man the sums that made possible his home.

Toronto Street, 1855 — Where the Canada Permanent has transacted business for sixty-seven years.

In 67 years not a cent has been lost by a depositor. His interest has never been with-held. Through boom days and hard times the Canada Permanent Mortgage Corporation has gone steadily forward—ever strengthening its position—building for permanency—slowly amassing out of profits a reserve of $7,000,000, equal to its paid up capital.

Unlike most institutions, the Corporation is only permitted, under the terms of its charter, to accept deposits to the amount of its Paid-up Capital, so that there is the enormous sum of fourteen million dollars standing between our depositors and any possibility of loss.

In addition to the attractive rates allowed on amounts invested in our ordinary debentures—5 per cent. on $100.00 or more invested for one year, 5½ per cent. when the fund is left for 3, 4 or 5 years—we have recently introduced Accumulative Debentures. As an example $76.24 invested to-day will amount to $100.00 at the end of five years. This is proving a feature greatly appreciated by the public.

For 67 years we have cared for the Savings of Canadians and Britishers—We have loaned to Canadians on home and farm. With greater assets than ever in our history, with more experience as our guide, we look forward to many further years of service.

Head Office of Canada Permanent Mortgage Corporation, Toronto Street, 1922.

Canada PERMANENT Mortgage Corp.
14-18 Toronto Street, TORONTO

Capital (paid up) - - - -	$7,000,000,00
Reserve Fund (earned) - - -	$7,000,000,00
Investments - - - - - - -	$39,077,608,12

Established 1855

THE CANADA
Permanent Trust Company

HEAD OFFICE:
14-18 Toronto Street, Toronto, Ont.

A Servant or a Master?

How many men labor all their lives for the comfortable little fortune that shall mean liberty from care—only to find that the dollars bring their own bondage? What with collecting interest, watching the market, re-investing maturing investments, looking after real estate, the little fortune is almost as much work to take care of, as it was to accumulate.

If you have a little money, let it serve you, not master you. For a fraction of what your time is worth to you

The Canada Permanent Trust Company

will take charge of your investments, collect your income, invest or re-invest your money, according to your instructions, or according to our best judgment, if you prefer to leave it entirely in our hands.

Because of this company's wide experience, judgment, financial standing, and perfect trustworthiness, you are assured both leisure and peace of mind, when you place your affairs in the hands of

The Canada Permanent Trust Company

PAID-UP CAPITAL $1,000,000.00

DIRECTORS

W. G. Gooderham, R. S. Hudson
John Massey, J. H. G. Hagarty
John Campbell, S.S.C., Col. A. E. Gooderham
F. Gordon Osler, William Mulock
George H. Smith, Gordon W. Allan, K.C., M.P., E. R. C. Clarkson

***Manager Ontario Branch:* A. E. HESSIN.**

LOANING INSTITUTIONS INCREASED INVESTMENTS IN MORTGAGE LOANS DURING 1921, WHILE TRUST COMPANIES SHOWED MARKED DEVELOPMENT IN FIELD

The Funds Made Available for Mortgages Were Largely From Increased Capital—Some Increase Also Shown in Deposits and Debentures Outstanding—Assets Substantially Larger

Fifty of the leading mortgage loaning organizations of Canada and thirty trust companies have contributed their annual statements to this Annual Loan and Trust Review Number of THE FINANCIAL POST. This indicates an increase of four companies, while the London and Canadian Loan and Agency was absorbed by Canada Permanent Mortgage Corporation. The statistical review of the affairs of these most important financial institutions which follow will be found to reflect in a very comprehensive way the effect upon the situation as affecting mortgage loans of the developments of the past year, particularly as regards money supply at home and abroad, demand for loans for home building and other purposes, legislation and taxation and the adjustment of investment values in relation to the general security markets.

The total assets of the mortgage companies under review shows a substantial expansion being $259,648,337 as compared with $252,610,517 at the end of 1920 and $254,787,028 at the end of 1919. The trend of investment indicated is in favor of mortgages, the total of $182,740,522 comparing with $176,662,544 and $168,427,026 for the two previous years respectively. Investments in securities showed a slight increase as compared with a year ago and on miscellaneous loans there was a considerable contraction in the advances.

Liabilities to the public in deposits and debentures showed comparatively small change but there was a substantial increase in the amount of capital contributed by the shareholders which was largely responsible for the new money available for mortgage loans.

Following is a comparative summary of the important totals of assets and liabilities of the fifty mortgage companies:

	1919	1920	1921
Assets			
Mortgages	$168,427,026	$176,662,544	$182,740,522
Other loans	11,406,458	6,177,792	4,350,522
Securities	39,580,439	38,659,631	39,991,587
Real Estate and Prem	8,494,796	11,069,813	11,862,711
Cash	15,027,521	10,172,727	10,526,287
Total assets	254,787,028	252,610,517	259,648,337
Liabilities to the Public			
Deposits	$ 27,465,095	$ 30,218,818	$ 30,738,858
Debentures	111,509,624	110,056,763	111,696,877
Total	144,111,937	141,877,214	142,544,683
Liabilities to the Shareholders			
Capital	$ 68,164,216	$ 67,034,120	$ 72,316,851
Reserve	34,723,700	34,556,912	33,685,261
Other Liabilities	9,383,100	8,034,045	8,668,937

The continued development of the trust company business in Canada is reflected in the figures which emphasize the popularity of the company trustee as compared with the private executor. The following comparative figures of the affairs of thirty companies tell their own eloquent story:

TRUST COMPANIES' INVESTMENTS

	1919	1920	1921
Capital account	$ 41,329,981	$ 43,697,930	$ 44,585,155
Guaranteed account	44,073,611	41,765,186	39,851,081
Estates	519,998,357	581,099,895	635,348,253
Total	605,401,945	666,520,394	719,784,518

Explanation of Analysis

In order to make the presentation of the figures from the different earnings statements as uniform as possible, for the purposes of making comparisons, standard form has been adopted, and in order to conform to it, it has been necessary, in some cases, to make changes in the classification of earnings from the company's own report. In the analyses which follow the plan has been in all cases to reach the actual earned profits by deducting from interest income on debentures and deposits expenses, commissions, fees, taxes (including income taxes), and other charges that should be deducted in order to reach the real profit. To this net sum is added the previous profit and loss surplus, and any extra income, to arrive at the amount available for distribution to the shareholders.

It is contended with justification that income and other special taxes which have been levied during and since the war, should not be deducted prior to estimating earnings on capital but as details are not in all cases supplied it has been found necessary to so deduct them in order to make comparisons possible. Where the taxes are classified such classification has been given.

It might be further explained that the percentage of profit on "average capital" is reached by estimating average capital on the basis of dividends paid at the rate given. The ratio of profits to this amount can be readily reached. The "earning rate" is on the amount of funds employed during the year, including the capital paid up, the reserve, and the surplus of profit and loss.

BRANTFORD TRUST CO., BRANTFORD

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 23,123	$ 21,548	$ 21,821	$ 23,059	$ 29,138
Interest	$ 1,093	$.......	$.......	$.......	$.......
Taxes	759	759	745	715	6,210
Expenses	1,317	1,535	1,824	2,097	3,929
War Tax	204	198	664	206	....
•	$ 3,373	$ 2,492	$ 3,233	$ 3,828	$ 10,139
Net profits	$ 19,750	$ 19,056	$ 18,588	$ 19,231	$ 18,999
Balance for'd	2,811	4,560	615	1,203	2,434
	$ 22,561	$ 23,616	$ 19,203	$ 20,434	$ 21,433
Distribution—					
Dividends	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
Reserve	....	5,000	....	....	....
Balance	4,561	615	1,203	2,434	3,433
	$ 22,561	$ 23,615	$ 19,203	$ 20,434	$ 21,433

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 300,000	$ 18,238	5	6.1	5.9
1913	300,000	17,910	5	6.0	5.8
1914	300,000	19,791	5½	6.6	6.3
1915	300,000	19,507	6	6.5	6.2
1916	300,000	19,520	6	6.6	6.2
1917	300,000	19,750	6	6.7	6.4
1918	300,000	19,056	6	6.3	6.0
1919	300,000	18,588	6	6.3	6.0
1920	300,000	19,231	6	6.4	6.0
1921	300,000	18,999	6	6.3	5.9

BRITISH CANADIAN TRUST COMPANY, LETHBRIDGE

Distribution of Earnings.

	1918	1919	1920	1921
Earnings	$ 5,983	$11,442	$ 8,384	$ 9,270
Expenses	$ 4,293	$ 4,559	$ 5,174	$ 5,008
Net profit	$ 1,690	$ 6,883	$ 3,210	$ 4,262
*Other profit	....	....	1,395	....
Balance forward	1,152	1,844	5,264	1,929
	$ 2,842	$ 8,727	$ 9,869	$ 6,191
Distribution—				
Dividends	$ 997	$ 2,463	$ 3,342	$ 4,295
Reserve	....	1,000	3,000	1,000
Contingent	....	....	1,597	....
Balance	1,845	5,264	1,929	896
	$ 2,842	$ 8,727	$ 9,869	$ 6,191

*Profit from sale of shares.

B.C. PERMANENT LOAN CO., VANCOUVER

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$204,957	$208,560	$224,729	$254,849	$226,595
Expenses	$ 54,003	$ 40,973	$ 51,989	$ 52,950	$ 50,703
Interest	91,482	80,268	67,485	57,945	57,025
Taxes	10,813	10,530	10,566	17,486	17,432
Written off	500	500	2,900	....	....
	$156,798	$132,271	$132,940	$128,381	$125,160
Net profits	$ 48,159	$ 76,289	$ 91,789	$126,468	$101,435
Bal. forward	93,493	128,721	102,903	*104,709	41,326
	$141,652	$205,010	$194,692	$231,177	$142,761
Dividends	$	$	$	$ 74,063	$ 74,844
Int. on stocks	2,930	2,108	1,429	192	183
Reserve	.....	100,000	28,156	105,596	43,744
Contingent	10,000	.....	5,000	10,000	.....
Balance	128,721	102,902	160,107	41,326	23,989
	$141,652	$205,010	$194,692	$231,177	$142,761

*Less dividend for 1919, paid 15th January, 1920.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 844,297	$146,848	10	19.6	13.5
1913	900,077	132,644	10	15.1	9.7
1914	920,107	84,055	8	9.2	5.4
1915	923,290	53,200	5	5.7	3.3
1916	923,290	57,536	..	6.2	3.6
1917	923,290	45,729	..	5.0	2.8
1918	923,290	76,289	..	8.3	4.3
1919	923,290	91,790	6	9.9	6.5
1920	926,721	126,468	6+2	13.6	7.5
1921	940,763	101,435	6+2	10.9	5.9

*Per cent. capital reserve and balance at credit of profit and loss at beginning of year.

BRITISH MORTGAGE LOAN CO. OF ONTARIO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$144,352	$162,653	$187,280	$211,327	$208,575
Interest—					
Debentures	$ 37,922	$ 45,253	$ 55,294	$ 60,841	$ 63,720
Deposits	29,792	27,104	29,336	32,036	34,449
Expenses	10,708	9,871	11,424	14,229	16,521
Com. on loans	70	....	695	1,299	1,275
Directors' Fees	....	2,124	2,977	3,808	3,639
Taxes	2,876	4,478	4,600	6,562	18,389
	$ 81,368	$ 88,380	$104,326	$118,775	$137,993
Net Profits	$ 62,984	$ 73,823	$ 82,954	$ 92,552	$ 70,582
Bal, for'd	7,000	3,475	7,298	10,257	2,801
Prem. on stock	30,000	....	....	....	....
	$ 99,984	$ 72,298	$ 90,252	$102,803	$ 73,383
Distribution—					
Dividends	$ 46,509	$ 50,000	$ 60,000	$ 70,000	$ 60,000
Reserve	20,000	20,000	20,000	30,000	10,000
Balance for'd	3,475	7,298	10,251	2,802	3,382
	$ 69,984	$ 77,298	$ 90,251	$102,802	$ 73,382

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 448,430	$ 48,692	8	10.8	6.8
1913	449,450	50,277	8	11.1	6.9
1914	449,650	49,832	8	11.0	6.7
1915	450,000	54,578	8	12.1	7.2
1916	450,000	63,942	9	14.2	8.3
1917	500,000	62,984	10	12.5	7.9
1918	500,000	73,823	10	14.7	8.2
1919	500,000	82,954	12	16.5	9.1
1920	500,000	92,552	12+2	18.5	9.8
1921	500,000	70,581	12	14.1	7.3

BROCKVILLE LOAN & SAVINGS CO., LTD., BROCKVILLE

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$	$	$	$ 55,708	$ 58,713
Interest	$	$	$	$ 10,431	$ 11,960
*Expenses	......	......	......	15,024	14,843
	$	$	$	$ 25,455	$ 26,803
Profits	†$27,954	†$29,160	†$31,199	$ 30,253	$ 31,910
Bal forward	....	....	....	....	$ 3,945
Distribution	$ 27,954	$ 29,160	$ 31,199	$ 30,258	$ 35,855
Dividends	20,954	21,160	21,199	21,308	21,387
Reserve	7,000	8,000	10,000	5,000	11,692
Balance	....	....	....	3,945	2,776
	$ 27,954	$ 29,160	$ 31,199	$ 30,253	$ 35,855

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 227,682	$ 20,649	6	9.0	7.8
1913	236,292	24,289	6	10.4	9.0
1914	264,776	28,801	6	11.4	9.3
1915	289,405	32,770	6	11.6	9.3
1916	294,910	34,689	6	12.0	9.4
1917	301,810	27,954	7	9.3	7.1
1918	302,510	29,160	7	9.6	7.2
1919	303,043	31,199	7	10.3	7.4
1920	305,443	30,253	7	9.9	7.0
1921	305,593	31,909	7	10.4	7.2

†After deducting cost of management, commission, war tax, etc.

*Includes taxes.

CANADIAN GUARANTY TRUST CO., BRANDON

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	*$14,509	*$15,396	*$17,761	*$22,667	*$21,063
Writ. of furnit.	433	499	....	....	....
	$ 433	499	.....	.....	.....
Net Profits	$ 14,076	$ 14,897	$ 17,761	$ 22,667	$ 21,063
Balance for'd	5,706	5,099	5,129	5,610	5,753
	$ 19,782	$ 19,996	$ 22,890	$ 28,277	$ 26,816
Distribution—					
Dividends	$ 9,683	$ 9,867	$ 12,279	$ 15,525	$ 16.067
Reserve	5,000	5,000	5,000	5,000	5,000
Contingent	....	....	....	2,000	....
Balance	5,099	5,129	5,611	5,753	5,749
	$ 19,782	$ 19,996	$ 22,890	$ 28,277	$ 26,816

*Expenses deducted.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1914	$ 190,667	$ 17,462	..	9.4	9.3
1915	191,242	21,249	5	11.2	10.2
1916	192,652	13,188	5	9.0	7.0
1917	194,119	14,076	5	7.5	7.1
1918	198,952	14,897	5	7.7	6.8
1919	240,925	17,761	6	8.8	7.7
1920	263,637	22,667	6	9.0	7.5
1921	267,964	21,063	6	8.0	6.6

THE CANADA PERMANENT TRUST CO., TORONTO

Distribution of Earnings.

	1918	1919	1920	1921
Net profits	$ 19,412	$ 63,673	$ 75,289	$ 65,134
Balance forward	52,269	71,681	294	583
Balance	$ 71,671	$135,354	$ 75,583	$ 65,717
Distribution—				LL
Dividends	$	$ 35,060	$ 50,000	50,000
Reserve	.....	100,000	25,000	15,000
Balance	71,681	294	583	717
	$ 71,681	$135,354	$ 75,583	$ 65,717

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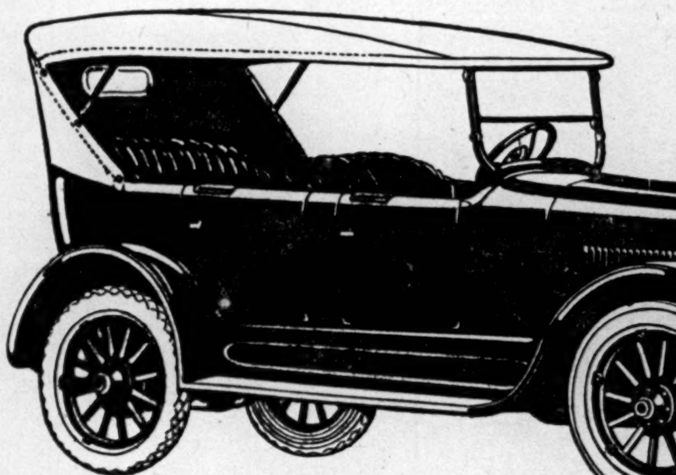

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Shall We Bar The Yellow Race?

LAST Autumn MACLEAN'S ran two striking articles by **John Nelson,** who is the former Managing Editor and part owner of the Vancouver "World," dealing with the menace of Asiatic immigration, under the caption "Will Canada Go Yellow?" In this third article Mr. Nelson brings forward his suggestions for solution.

As this question came up

In The House of Commons

Monday, May 8, and led to a very lively debate, no more timely article could be published in a Canadian periodical to-day.

Pepita Pink-Toes
By
G. Appleby Terrill

THIS is a burlesque racing story feature with an entrant in the Derby which always danced on coming to the post. Mr. Terrill has woven a romance into his yarn, dealing with a very feminine owner of some race horses and a very masculine writer of hectic fiction.

Other Features In

MAY 15th MACLEAN'S

HERE IS THE FARMER'S ANSWER
By Agnes C. Laut

J. R. BOOTH—ON THE JOB AT NINETY-FIVE
By Charles Christopher Jenkins

A BIT OF ORANGE PEEL
By "Sapper" H. C. McNeile

FOOTPRINTS IN THE SNOW
By Maurice Le Blanc

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By George C. Holland

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By Ben Ames Williams

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MONTREAL TORONTO HALIFAX

CANADA LANDED & NATIONAL INVESTMENT CO., TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$417,267	$415,795	$445,052	$484,418	$481,364
Int. in deb.	$192,972	$195,258	$207,915	$204,611	$191,871
Taxes	3,216	3,548	4,257	3,949	3,692
War Tax	4,450	5,063	11,801	15,081	14,718
Management	46,693	47,729	52,640	56,880	57,010
Commissions	10,404	10,909	16,755	9,022	11,649
Patriotic	1,500	1,000	....	....	....
	$259,056	$263,507	$293,368	$289,543	$278,940
Net profits	$158,211	$152,288	$151,684	$194,875	$202,424
Bal. forward	$39,392	89,151	132,987	26,221	50,596
	$197,603	$241,439	$284,671	$221,096	$253,020
Distribution—					
Dividends	$108,450	$108,450	$108,450	$120,500	$120,500
Reserve	......	......	150,000	50,000	95,000
Balance	89,152	132,988	26,221	50,596	37,519
	$197,602	$241,439	$284,671	$221,096	$253,020

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,205,000	$169,569	8	14.0	9.2
1913	1,205,000	190,302	9	15.7	8.9
1914	1,205,000	192,288	9	15.9	8.7
1915	1,205,000	199,201	9	16.6	8.7
1916	1,205,000	170,249	9	14.1	7.1
1917	1,205,000	158,211	9	13.1	6.5
1918	1,205,000	152,288	9	12.6	6.1
1919	1,205,000	151,684	9	12.6	5.9
1920	1,205,000	194,874	10	16.2	7.5
1921	1,250,000	202,424	10	16.7	7.5

CANADA MORTGAGE INVESTMENT CO., TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$115,403	$104,070	$ 97,800	$105,524	$ 98,518
War Tax	3,444	2,521	4,092	1,245	1,417
Res. for War Tax	....	....	12,170	8,224	8,007
Patriotic	1,900	....	....	....	....
	$ 5,344	$ 2,251	$ 16,262	$ 9,469	$ 9,424
Net profits	$110,059	$101,549	$ 81,538	$ 96,055	$ 89,094
Bal. forward	8,035	5,001	33,118	42,084	13,764
	$118,094	$106,550	$114,656	$138,139	$102,858
Distribution—					
Dividends	$ 73,093	$ 73,431	$ 72,572	$ 74,375	$ 74,521
Reserve	40,000	....	....	50,000	....
Balance	5,001	33,119	42,084	13,764	28,336
	$118,094	$106,550	$114,656	$138,139	$102,858

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,200,000	$100,051	6	8.6	7.1
1913	1,200,484	110,549	6	9.5	7.6
1914	1,208,272	120,972	6	10.1	7.9
1915	1,211,116	121,896	6	10.1	7.7
1916	1,218,227	112,472	6	9.3	6.9
1917	1,223,850	110,059	6	9.0	6.5
1918	1,231,630	101,549	6	8.3	6.0
1919	1,235,954	81,538	6	6.8	5.0
1920	1,239,586	96,055	6	7.7	5.6
1921	1,242,022	89,094	6	7.1	5.0

CANADA PERMANENT MORTGAGE CORPORATION, TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
*Earn's	$ 852,325	$ 824,532	$ 827,984	$ 854,277	$ 896,366
Bal. for.	195,652	197,977	172,509	150,493	154,770
	$1,047,977	$1,022,509	$1,000,493	$1,004,770	$1,051,136
Distribution—					
Divs.	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 780,000
Reserve	250,000	250,000	250,000	250,000	......
Car. for.	197,977	172,509	150,493	154,770	271,136
	$1,047,977	$1,022,509	$1,000,493	$1,004,770	$1,051,136

*After interest, taxes and expenses and all charges and losses.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$6,000,000	$826,799	9	13.7	8.5
1913	6,000,000	884,626	10	14.7	8.8
1914	6,000,000	876,765	10	14.6	8.4
1915	6,000,000	872,105	10	14.5	8.2
1916	6,000,000	866,126	10	14.4	8.0
1917	6,000,000	852,325	10	14.2	7.6
1918	6,000,000	824,532	10	13.7	7.2
1919	6,000,000	827,984	10	13.8	7.1
1920	6,000,000	854,277	10	14.2	7.1
1921	7,000,000	896,366	12	†13.79	6.8

†$6,000,000 for first six months and $7,000,000 for second six months.

CANADA TRUST CO., LONDON, ONTARIO

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$135,266	$140,136	$140,352	$164,395	$169,544
Taxes	$ 5,967	$ 12,317	$ 19,455	$ 19,522	$ 11,820
Patriotic	3,125	2,500	750	....	....
	$ 9,092	$ 14,817	$ 20,205	$ 19,522	$ 11,820
Net profits	$126,174	$125,319	$120,147	$144,873	$157,724
Bal. forward	4,093	10,274	5,601	20,756	20,642
	$130,267	$135,593	$125,748	$165,629	$178,366
Distribution—					
Dividends	$ 69,993	$ 79,992	$ 79,992	$119,988	$119,988
Reserve	50,000	50,000	25,000	25,000	50,000
Balance	10,274	5,601	20,756	20,641	8,378
	$130,267	$135,593	$125,748	$165,629	$178,366

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 476,925	$ 41,276	5	8.6	6.4
1913	672,732	63,990	5	9.5	9.7
1914	1,000,000	101,068	6	10.1	10.0
1915	1,000,000	117,009	6	11.7	8.4
1916	1,000,000	121,692	6	12.1	8.6
1917	1,000,000	126,174	7	12.6	8.4
1918	1,000,000	125,319	8	12.5	8.0
1919	1,000,000	120,147	8	12.0	7.5
1920	1,000,000	144,873	8+4	14.4	8.8
1921	1,000,000	157,724	8+4	15.7	9.1

CAPITAL TRUST CORPORATION, OTTAWA

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$ 15,333	$ 19,355	$ 26,375	$ 27,256	$ 20,209
Bal. forward	11,901	27,234	30,427	56,802	54,530
	$ 27,134	$ 46,589	$ 56,802	$ 84,058	$ 74,739
Carried forward	27,134	30,427	56,802	54,530	37,897
Dividends	.....	16,162	.....	19,528	21,842
Contingent	.....	.....	.....	10,000	15,000
	$ 27,134	$ 46,589	$ 56,802	$ 84,058	$ 74,739

CENTRAL CANADA LOAN & SAVINGS CO., TORONTO

Distribution of Earnings

	1917	1918	1919	1920	1921
*Earnings	$201,761	$203,035	$210,822	$212,348	$203,248
Patriotic	$ 9,951	$ 9,824	$ 3,693	$ 5,581	$ 3,385
Net Profits	$191,810	$193,211	$207,129	$206,767	$199,863
Bal. forward	57,053	73,863	92,074	124,203	103,470
	$248,863	$267,074	$299,203	$330,970	$303,333
Distribution—					
Dividends	$175,000	$175,000	$175,000	$227,500	$175,000
Bal. froward	73,863	92,074	124,203	103,470	128,333
	$248,863	$267,074	$299,203	$330,970	$303,333

*Taxes deducted.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,750,000	$282,504	10	16.1	8.5
1913	1,750,000	285,816	10	16.3	8.3
1914	1,750,000	215,567	10	12.3	6.0
1915	1,750,000	214,052	10	12.2	6.0
1916	1,750,000	208,811	10	12.2	5.9
1917	1,750,000	191,810	10	11.2	5.2
1918	1,750,000	193,211	10	11.4	5.4
1919	1,750,000	207,129	10	12.1	5.8
1920	1,750,000	206,767	10+3	12.1	5.7
1921	1,750,000	199,863	10	11.4	5.5

CHARTERED TRUST AND EXECUTOR COMPANY, TORONTO

Distribution of Earnings.

	1918	1919	1920	1921
Profits	$15,129	$48,368	$37,644	$38,220
Prov. for tax	.....	.....	.....	2,250
Net Profits	$15,129	$48,368	$37,644	$35,670
Balance forward	4,593	40,664	1,183	3,819
	$19,722	$89,032	$38,827	$39,489
Distribution—				
Dividend	$13,333	$29,453	$34,008	$33,782
Reserve	.....	58,397	1,000	1,500
Balance	6,390	1,183	3,819	4,207
	$19,723	$89,033	$38,827	$39,489

COLONIAL INVESTMENT & LOAN CO., TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$155,879	$156,133	$136,433	$168,990	$ 69,425
Written off	......	......	......	......	......
Furniture	400	1,198	......	......	......
	$ 400	$ 1,198	$......	$......	$......
Net profits	$155,749	$154,935	$136,433	$168,990	$ 69,425
Bal. forward	57,464	59,646	27,213	16,161	43,634
Trans. from res.	.....	.....	50,000	.....	.....
	$20,943	$214,581	$213,646	$185,151	$113,059
Distribution—					
Dividends	$147,296	$147,368	$147,485	$141,517	$ 75,073
R. E. Res.	......	40,000	......	......	......
Reserve	......	......	50,000	......	......
Balance	59,647	27,213	16,161	43,634	37,986
	$ 20,943	$214,581	$213,646	$181,151	$113,059

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1913	$2,448,440	$187,783	6	8.2	7.4
1914	2,451,803	178,588	5½	7.3	6.5
1915	2,452,868	163,884	5	7.0	6.8
1916	2,453,995	154,717	6	6.4	5.5
1917	2,455,375	155,479	6	6.3	5.2
1918	2,456,402	154,935	6	6.3	5.4
1919	2,458,421	136,433	6	5.5	4.7
1920	1,250,926	168,990	6	7.8	6.2
1921	1,251,382	69,425	6	5.5	4.1

CONSOLIDATED TRUSTS CORPORATION, LONDON, ONT.

	1918	1919	1920	1921
Earnings	$ 4,364	$11,980	$11,215	*$14,859
Expenses	343	69	725	.....
Taxes	118	493	627	3,099
	$ 461	$ 562	$ 1,352	$ 3,099
Net profits	$ 3,903	$11,418	$ 9,863	$11,760
Balance for'd	$10,464	367	784	648
	$14,367	$11,785	$10,467	$12,408
Distribution—				
Reserve	$14,000	$11,000	$10,000	$10,000
Balance	367	784	648	2,408
	$14,367	$11,784	$10,648	$12,408

* Expenses deducted.

CROWN SAVINGS & LOAN CO., PETROLEA

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 35,324	$ 38,132	$ 40,945	$ 44,442	$ 44,731
Interest—					
Debenture	$ 9,284	$ 10,142	$ 10,371	$ 10,354	$ 11,021
Bank	2,416	3,184	4,080	5,064	5,416
Expense	3,653	3,832	4,226	4,963	5,670
Taxes, etc.	753	1,007	1,153	3,751	3,079
Writ. off prem.	983	500	568	288	281
	$ 17,089	$ 18,665	$ 20,397	$ 24,420	$ 25,467
Net profits	$18,235	$ 19,467	$ 20,548	$ 20,022	$ 19,264
Prem. on stock	610	.....	.....	.....	.....
Balance forward	7,006	7,406	7,409	7,493	7,551
	$ 25,851	$ 26,873	$ 27,957	$ 27,515	$ 26,815
Distribution—					
Dividends	$ 14,444	$ 14,464	$ 14,463	$ 14,463	$ 15,668
Reserve	4,000	5,000	6,000	5,500	3,500
Balance	7,406	7,409	17,494	7,551	7,646
	$ 25,850	$ 26,873	$ 27,957	$ 27,514	$ 26,814

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1915	$ 236,700	$ 17,454	6	7.4	5.7
1916	238,000	17,970	6	7.8	5.8
1917	241,050	18,235	6	8.0	6.0
1918	241,050	19,467	6	8.0	6.0
1919	241,050	20,548	6	8.5	6.2
1920	241,050	20,022	6	8.4	6.0
1921	241,050	19,264	6+½	8.0	5.6

CROWN TRUST COMPANY, MONTREAL

	1917	1918	1919	1920	1921
Profits	$ 35,269	$ 34,754	$ 44,326	$ 55,100	$ 41,998
Bal. Forward	*45,079	50,348	55,102	15,289	30,389
	$ 80,348	$ 85,102	$ 99,428	$ 70,389	$ 72,387
Dividends	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Balance	50,348	55,102	15,288	30,389	17,387
Reserves	.....	....	54,140	10,000	25,000
	$ 80,348	$ 85,102	$ 99,428	$ 70,389	$ 72,387

DEBENTURE COMPANY OF CANADA, REGINA, SASK.

	1918	1919	1920	1921
Earnings	$ 2,014	$ 3,629	$ 6,133	$ 9,873
Income tax	....	....	....	276
Written off	....	....	428	273
Net profits	$ 2,014	$ 3,629	$ 5,705	$ 9,324
Prem. account	3,536	....	....	....
Bal. forward	184	188	292	190
	$ 5,734	$ 3,817	$ 5,997	$ 9,514
Distribution—				
Dividends	$ 2,010	$ 3,525	$ 5,806	$ 9,283
Reserve	500	....	....	....
Bal. from prem.	3,035	....	....	....
Balance	188	292	191	230
	$ 5,734	$ 3,817	$ 5,997	$ 9,513

EASTERN CANADA SAVINGS & LOAN CO., HALIFAX

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$120,148	$119,182	$139,295	$153,580	$161,211
Int. on debs.	$ 49,614	$ 49,735	$ 49,531	$ 49,133	$*56,724
Int. on dep.	5,451	5,704	10,717	11,849	.....
Management	11,781	12,408	16,520	21,144	27,587
Written off	2,094	1,043	871	1,091	1,025
Taxes	2,465	1,730	4,213	2,273	10,019
War Tax	3,761	1,499	5,521	....	....
Patriotic	1,050	500	....	....	....
Explosion	....	3,137	....	....	....
Income Tax	....	....	....	8,787	....
	$ 76,216	$ 75,756	$ 87,383	$ 94,277	$ 95,355
Net profits	$ 43,932	$ 43,426	$ 51,912	$ 59,303	$ 65,856
Prem. on stock	3,365	527	.....	.....	.....
	$ 47,297	$ 43,953	$ 51,912	$ 59,303	$ 65,856
Distribution—					
Dividends	$ 29,297	$ 29,952	$ 32,912	$ 44,967	$ 56,856
Reserve	15,000	14,000	19,000	14,336	9,000
Contingent	3,000	.....	.....	.....	.....
	$ 47,297	$ 43,953	$ 51,912	$ 59,303	$ 65,856

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 250,000	$ 26,500	7	10.6	7.4
1913	250,000	29,500	7	11.8	8.0
1914	250,000	29,000	8	11.6	7.6

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SERVICE TO THE LIVING A GROWING FEATURE OF MODERN TRUST COMPANIES

Investments Made and Revenues Collected —Expert Advice Available to Clients

ASSISTANCE IN WILL-MAKING

There Are Important Technical Points Which Must be Observed to Insure That the Estate Can be Successfully Administered by Trustee

By JOHN COWAN,
Toronto General Trusts' Corporation.

Trust Companies have a varied service to offer the public. Their principal function, the one with which they are more immediately associated in the public mind, is the administration of estates and trusts of deceased people, in a word—rendering service to the dead. That was not the function, however, which suggested the corporate executor from which the modern trust company has evolved. The financial service most closely resembling, and which suggested a trust company, was originally exercised by the East India Company when it handled funds, collected revenues, etc., on behalf of its officers, who, living in retirement in England, had funds invested in India and the Orient.

Whilst the administration of estates of deceased people forms the largest part of the business of most of our Canadian trust companies, it is important to point out that a large part of their business consists in serving the living.

During recent years there has been a very marked increase in the general agency business of these companies, that is, in their acting for individuals and corporations in the safe-keeping of their securities, collecting of rents, interest, dividends, etc., management of real estate and keeping their funds fully invested in high class investments.

As these services are carefully explained to them, business men in increasing numbers are learning to appreciate their value. When they consider the moderate cost of same, they realize that it is sounder economy for them to pass over the details connected with the management of their personal property to a well-managed trust company which specializes in this work than to do it themselves. Under this arrangement they secure more time for the management of the business in which they are engaged, for travel or for recreation. Trust companies, in their advertising, are stressing this phase of business more than ever. The individual who has entrusted the management of his property to a trust company in his life-time, will, in nine cases out of ten, appoint the same company as his executor and trustee because he has learned to appreciate the value of the services of a corporate fiduciary.

Advice Regarding Wills

Another feature of trust company business receiving greater emphasis these days is advising persons who have decided to make their will. A number of our Canadian trust companies have now been engaged in the business for several years and have thereby gained valuable experience in the administration of estates and trusts. Their officers are in a position, therefore, to offer valuable advice to prospective testators in suggesting clauses of various kinds for their wills which would greatly facilitate the administration of an estate; provide specially for beneficiaries for whom the testator desires special provision; protect and advance the interest of infant children; insure an income for aged parents; an invalid brother or sister or married daughter, guarantee to the widow the fullest benefits from her late husband's estate. They frequently suggest for consideration plans for the distribution of an estate which experience has shown to be satisfactory in other instances.

A consultation between the trust company officer and the prospective testator along the lines indicated has proved of the utmost value in the administration of many estates. A well-managed trust company does not intrude, nor has it any desire to intrude, on the domain of the legal profession in giving these consultations. They do not themselves draw wills. They invariably advise prospective clients to have their own solicitors draw their wills, suggesting to the testator certain clauses or outlining a plan of distribution, which, out of their practical experience in this work, they believe it would be to his advantage to incorporate in his will.

Wills Have Many Technicalities

A will is an exceedingly simple, but at the same time, a highly technical document. A very simple will, well-drawn, may convey a large amount of property with very little trouble, and yet, through lack of foresight in its drafting, may involve a comparatively small estate in long drawn-out litigation. By naming a trust company his executor, therefore, a testator receives the benefit of the advice of a fiduciary experienced in the administration of estates. There is no conflict between the work of a lawyer and that of a trust company. Both know the large amount of litigation continually in the courts caused by faulty drawn wills and the lawyer with wide experience in advising upon testamentary matters will be the first to appreciate the value of this consultive service which trust companies are in a position to give to testators.

As the character of trust company service becomes more widely known, the greater is the number of individuals and companies who are availing themselves of it. The Judges of our Supreme and County Courts frequently advise the appointment of a trust company to manage estates or trusts. They know from their experience on the bench passing trust company accounts as executors of estates, determining questions arising out of the administration of estates and in various other ways, the advantages of the services of a corporate fiduciary as compared with those of an individual.

In a public address recently one of our Canadian Judges spoke as follows: "Every person over twenty-one years should make a will devising his property according to his best judgment and appointing a suitable person, or more, wisely, a trust company as executor.

"There are many reasons why a responsible trust company should be appointed executor. They do not die or move away, do not default or tangle up accounts. The officers and board of directors, inspectors and accountants, are skilled experts and all unite in the wise administration of estates. A trust company is especially needed where there are infants."

When the wills of a number of our Judges, both of the County and Supreme Courts, who have died recently, have been read over after their deaths, it has been found that they have appointed a trust company to administer their estates. Trust companies can desire no higher form of appreciation of their services from the legal profession or from the general public than this.

There are the other services such as maintaining a safety deposit vault system and the large sphere of business which falls under the heading of corporate trusts. Under this latter heading comes such business as acting as trustee for bond holders and as registrar and transfer agents for the stock of incorporated companies. With the commercial development of Canada, the services in these capacities will be in large demand in the coming years.

OPPORTUNITIES FOR WELL CONDUCTED COMPANY IN SOUND SECOND MORTGAGES

They Are an Aid in the Development of Residential Real Estate at Reasonable Costs

By SIR JOHN WILLISON
Mortgage Discount and Finance, Limited.

It is generally accepted that there is a field for the well-conducted second mortgage company as well as for the sound first mortgage companies. The organization of such companies when property operated should result in cheaper funds to the builder than in cases where funds must be secured by the sale of second mortgages to individuals. From the standpoint of the investor, however, a great deal depends upon management.—Editor.

During the last few years probably a score of mortgage companies have been organized in Toronto. There seems to be a common notion that this is an altogether new development. As a matter of fact a few such companies have been in business here for many years and, so far as one can discover, there has never been a failure of any company which confined itself to first or second mortgages on improved property. In saying this one is not advising investors to purchase stock indiscriminately in mortgage companies. The success of a company always depends more upon its management than upon the field in which it operates. There are those who think that the field for mortgage companies in Toronto is fully occupied. It is certain, however, that there is an active demand for all the funds which these companies control and apparently a far greater amount could be invested just now in first and second mortgages if the money could be obtained.

In Toronto and elsewhere throughout Canada there have been disastrous failures of companies which might be called mortgage companies but which dealt chiefly in vacant land. Land booms which carry rush speculators from their feet are always a danger to thoughtless investors. Few people seem to know when a boom begins and fewer when it ends. As a result land companies are created, remote subdivisions plotted, and millions of obligation incurred which cannot be met when the boom collapses. Against most of these dangers mortgage companies which deal only in improved property are secure if their operations are conducted with prudence and wisdom.

The axioms of a sound mortgage business are that no undue amount of money shall be put into any single investment; that mortgages purchased shall not be confined to any one district; that there shall always be a substantial equity above the total value of mortgages upon the property, not upon estimated value at the moment or at some future time, but above the immediate cash saleable value. It is necessary also that the property shall be fully insured, that there shall be diligent attention to collections, and that valuations shall be made by those who have had long and actual experience in land dealing and who have wide and accurate knowledge of conditions throughout the district in which the company may do business. To do a safe business companies dealing in second mortgages must require a substantial discount on all mortgages purchased, since it is necessary to have a large reserve in order to take care of first mortgages which the companies may have to assume. In cases where districts are "falling off" or where buildings have been badly constructed no amount of discount warrants investment.

The fact that many new mortgage companies have been created does not necessarily mean that a much greater amount of money is going into either first or second mortgages. The business which companies are now doing has been done largely by private individuals, and these individuals have operated both with Canadian money and with money obtained from England. In recent years, owing to the difficulty of getting money from abroad, special measures have had to be taken to raise money in Canada and this perhaps partly explains the increase in mortgage companies. Whatever their merits or defects, at least the public companies are more responsive to public opinion and under more stringent public regulation than private individuals doing a like business can be. It is true that it is necessary to take liberal discounts on second mortgages in order to secure the success of a company dealing chiefly in such mortgages but while what may be regarded as a hardship is sometimes suffered by those who require assistance there are infinitely more cases where small householders would lose the earnings of years if such assistance could not be obtained.

There is no doubt that the mortgage companies are helping the housing situation in Toronto and in other communities. They are providing money without which builders can do nothing and which builders have not been able to obtain in sufficient amount from other sources. The success of these companies does not depend upon scarcity of houses and high values so much as upon active building and wise investment. The present building activity in Toronto stimulates the demand for money and increases the number both of first and second mortgages, and companies which are conservatively managed, which distribute their investments over a wide area, which never put an excessive amount into any single mortgage, and which keep reasonable reserves, should be able to do a profitable business with advantage to their shareholders and the public, even though, as is almost certain to happen, money becomes cheaper and rates for first mortgages fall even as low as 6 or 6½ per cent. It is true also that in the mortgage business profits are increased by advance payments, by wise use of accumulating interest, and by various other considerations which give a return beyond the face value of mortgage contracts.

THE MODERN TRUSTEE

Every year brings to light its all too great quota of defalcations on the part of the individual Administrator and Executor who appropriated or misguided the Estate entrusted to him, and where, for lack of knowledge of proper safeguards, the beneficiaries or next-of-kin lost their inheritance. This becomes too costly an experience, and in the reckoning of fees charged by the Trust Company, and allowed by the Supreme Court, the net result is wholly in favor of the Trust Company, which is run on strictly business principles, with its capital and reserve as an assurance fund, and the personnel of its Board as a mark of its integrity.—Annual report, Standard Trust Company.

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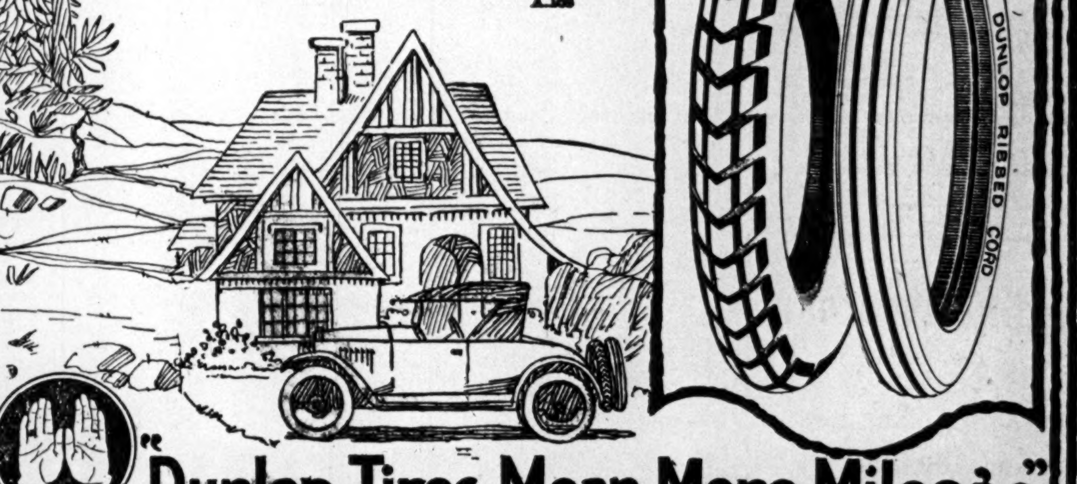

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LABOR COSTS RATHER THAN SCARCITY OF MONEY CHIEF OBSTACLE TO BUILDING NOW

Large Amounts of Money Available for First Class Mortgages for Construction Purposes

LOWER INTEREST RATES BY FALL

Cost of Materials Dropped Approximately 28 Per Cent. During Year—Improving Exchange Will Provide Fresh Capital Shortly

The amount of new construction work carried out during the past four or five years has been comparatively small. Builders simply could not go ahead in the face of the excessive cost of materials, labor and the general tightness of money, with the result that we are at the present time faced with a shortage of houses and to a smaller extent, industrial and commercial buildings. But during the past few months, the situation has taken on a new aspect, due largely to the very easy condition of the money market, and building is going ahead in certain lines in a volume that has not been experienced since pre-war days.

House Shortage Acute

During the boom days of the war large industrial concerns carried out some very ambitious building programs to meet the demands for war material. This activity was carried on into 1919 and 1920. Then came the period of depression and factories closed down whole sections of their plants, and in every way tried to conserve their liquid capital to meet the needs of the times. House-building programs had been postponed from year to year during the war, in the hope that a return to normal conditions would be made, until at the present time when the shortage has become so acute that people are being forced to build.

High Wages Chief Barrier

But while the large amounts of money available for good mortgages have helped the situation, costs have on the average declined approximately 28 per cent. during the year. Wages paid to the building trades are still the stumbling block of the whole situation. For instance the wages paid to bricklayers in 1913 were about 40 cents an hour. During 1920, when other trades were receiving peak wages, bricklayers demanded $1.03 per hour and at the present time they are receiving in many cases from $1 to $1.25 an hour for their services. Until wages are reduced and until they, at least, tend to come into line with prices or materials, etc., building on an extended scale is out of the question. Perhaps we shall never be able to get back to pre-war wages, but unemployment does not seem likely to be generally relieved on anything like the present scale.

Plenty of Money Available

Large loaning companies report that throughout the past year very large amounts of trust money were set aside specially for investment in first class mortgages. The point has been reached where the supply of high grade bonds is so short and the return so low, that it is no longer profitable to invest in them. On the other hand while there is not the same security, a well secured first mortgage is proving of great attraction to the large investor.

Now that sterling has again reached the high point on its recovery and indications point to a steady improvement in sterling exchange, there is every possibility of cheaper money before next fall. Large loan companies admit they have been surprised at the way the demand for mortgage money has kept up but are of the belief that as soon as the demand is even partially satisfied the rate will drop to around 6½ per cent., for well secured first mortgages. Then another point in favor of a lower rate is the drop that has been experienced in Great Britain of late and it is expected that by next fall the rate will be 5 per cent. over there.

An interesting point observed by the loaning companies is that there being little or no speculative building of houses rather more substantial homes are being built.

MORTGAGE RATE EASING TO 6 1-2 PER CENT; CHANGING BONDS FOR MORTGAGES

(Continued from page 17)

rather than holding these as an investment that ultimately would drop to par again as the date of redemption drew near. So with other bonds, including municipal issues, bought at a discount and selling now at a premium. So, too, with new money, the return from a mortgage growing more alluring as the returns from the other investments receded. This, it is generally believed, will flood the market for a time with "mortgage money," until one of two results happens; the rate will drop, or there will arise a boom in real estate —in construction—that will not only call for large quantities of new money for construction purposes, but also bring about activity in the transfer of "improved" properties, calling in the surplus of both classes of funds. This "boom" in real estate seems all that can retain the mortgage rate at 7 per cent., and it must come soon, or the drop will have occurred already.

"Frozen" Credits in the West

Most of what has been written so far has reference only to Eastern Canada. In the West a far different situation exists. Where in the East mortgage terms have ordinarily been met easily—instalment payments, and the wiping out of the mortgage at maturity, or a renewal of a reduced amount—in the West, general conditions have made impossible in thousands—tens of thousands—of instances, the meeting even of the interest payments. More than for many years the loan companies have been forced to carry over clients who have defaulted their interest payments, and been forced to renew maturing mortgages even where accrued interest covered a year or more. This action was forced upon them by the unfortunate crop conditions, particularly in Southern Alberta and Southern Saskatchewan, while in Manitoba a much more normal condition existed. More than that, the loan companies have had to submit to seed grain liens being super-imposed as a prior claim on the new crops—and in some cases these grain liens, it is claimed, are considered a perpetual prior claim, year after year, until they are wiped out, and not only covering the current harvest. As with the banks, the loan companies have accepted the situation with a cheerful equanimity.

The result has been, of course, reduced income, and far less money available for new loans in the West. Under present conditions, of course, the demand for such loans has been restricted, so that development has not been restricted as much as it would had conditions been normal.

Speaking of Western conditions, the manager of a company that carries heavy loans there thus summarized conditions:

LITTLE SURPLUS FOR RE-DISTRIBUTION

"In the West the slump in prices as well as the low grading, made it impossible for the farmer in many sections to get even his running expenses and often the year's operations produced an actual loss. Even the cost of threshing often was not secured from the crop. The result was that many had no surplus out of the last crop to meet their liabilities.

"One natural result of this was that as the interest payments form the surplus—as well as repayments on principal—for supplying money to others on mortgages, the amount of credit available was materially lessened. The security was there for the loans—but not the money. It was the old case of 'frozen credits'. Thus the ordinary movement of redistributing the funds could not take place; or if the money was available for new demands, it had to be shifted from the East to the West.

FEW FORECLOSURES

"Probably the public would be surprised at the few cases where mortgages have been foreclosed. In these few almost every one was a personal reason. Where the balance was of a type who had shown himself unable to be depended on to meet his obligations even when times were good. In the vast majority of cases the loan companies are simply carrying the loans themselves."

"The sentiment in the West, however, is becoming much more cheerful; the winter with its demands for actual subsistence is over, and we are awaiting the new crop with a good deal of comfidence."

EXCHANGE RATE BARS HEAVY STERLING FUNDS FROM INVESTMENT HERE

Heavy Income Taxes and Low Return From High Grade Bonds in Scotland Drive Funds Abroad

LOWER INTEREST RATES IN SIGHT

Next Term Day Will See 5 Per Cent. Money Available in Great Britain, to Great Advantage of Canadian Mortgage Houses

The situation in regard to the supply of loan company debenture funds in Great Britain at the present time is the most favorable since before the war. With the reduction of interest rates in England and Scotland during the past few months, Canadian companies are meeting with much success in the procuring of new funds. There is only one fly in the ointment and that is the obstacle of exchange, which, while it has improved wonderfully during the past few months, still imposes a great handicap on the bringing out of fresh capital.

During the past few years Canadian companies could have met their maturing obligations in Great Britain greatly to their advantage due to the favorable exchange, but in most cases the established connections with the banking houses over there, have been regarded as much more valuable than to take advantage of a temporary situation. One interesting fact gained through the association with the Old Country bankers is that the Scotch investors are most favorable to Canada and it may be said that they truly have their finger on the money pulse.

Plenty of Money Available

All loan companies find that they can procure almost any amount of money in Great Britain for investment in Canada at rates averaging about 5½ per cent. The supply comes chiefly from Scotland. Canada is rated very high there. Then again many Old Country investors are faced with the alternative of very heavy income taxes, and high grade bonds have become so scarce that the yield from them is no longer equal to the well secured mortgage here. One other possibility is that the Canadian companies will find it possible to employ the money they secure on sterling debentures in Great Britain, so they will at least be able to get as much for this money as they pay in interest Probably could this be done, the companies would be satisfied to wait for a real profit until it will be possible to bring money to Canada at something like parity of exchange.

Term Day

On term day, which in Scotland occurs twice a year, falling on the first of May and November, or to be more exact, between the first and tenth of these two months, all arrangements are renewed or cancelled. While for the May term day the prevailing rate was 5½ per cent., there is every possibility that by the time next term day comes around, the rate will be 5 per cent. This condition points to the gradual lowering of the rate charged on good security in Canada.

The position of the loan companies is that they can have plenty of money for the asking but are unable to greatly to their advantage due to the favorable exchange, rate is a bar to sterling it is also effective in the case of French and Belgian funds, with the result that companies are simply carrying on with the funds they have and what they are able to secure locally. And that, while the situation is far from ideal, yet it could easily be a whole lot worse in many ways.

Deposits and Securities of Loan and Trust Companies

Quarterly Statement of Deposits and Securities of Loan and Trust Corporations as of 31st March, 1922.

Corporation	Deposits	Cash	Bonds	Municipal Deb.	Demand Loans
British Mortgage Loan	1,117,766	165,930	14,600	774,126	......
Brockville Loan	314,148	2,215	1,840	70,983	.....
Canada Permanent	6,592,646	1,088,880	1,097,150	247,152	2,475
Central Canada	1,696,467	123,173	276,987	35,031	138,820
Crown Savings	158,357	3,776	45,200	....	....
Dominion Savings	551,996	1,974	2,316	....	1,456
Dyment Securities	42,997	165	......	....	....
East Lambton	131,265	*16,340	75,405	58,904	......
Frontenac Loan	40,668	1,996	57,620	2,985	......
Great West Permanent	954,358	226,509	....	....	50
Grey and Bruce Loan	182,030	6,803	75,563	....	11,795
Guelph and Ontario	825,071	202,786	824,701	608,742	240
Hamilton Provident	904,460	125,227	190,000	93,000	....
Huron and Erie	6,075,927	858,880	1,513,791	30,543	200,000
Industrial Mortgage	823,708	86,663	217,681	336,070	....
Lambton Loan	1,121,409	7,390	226,600	64,090	....
Landed Banking	1,109,694	166,998	148,921	38,803	11,894
London Loan	891,827	79,611	24,330	2,088	1,509
Midland Loan	302,772	94,086	251,057	229,481	....
Ontario Loan	930,791	213,324	1,732,098	396,150	200
Owen Sound Loan	64,400	12,763	22,625	....	5,393
People's Loan	400,787	32,812	34,303	11,510	......
Royal Loan	760,528	68,209	157,138	117,375	167
Security Loan	397,811	40,161	60,000	13,908	....
Southern Loan	538,175	*19,784	210,000	35,627	....
Toronto Mortgage	87,465	56,553	564,383	460,793	10,600
Toronto Savings	638,702	27,338	......	....	....
Victoria Loan	1,059,483	100,626	167,922	5,864	10,365
Waterloo County Loan	1,301,187	93,036	310,400	120,074	10,700
Capital Trust	Return not	received	......	....	....
Imperial Trusts	516,815	26,103	42,236	21,030	51,075
National Trust	2,629,243	318,118	144,150	291,651	180,700
Trusts and Guarantee	1,065,910	58,956	115,813	19,850	217,980
Union Trust	1,246,058	85,133	147,225	30,488	115,950
Chartered Trust	85,933	6,054	56,391	16,973	5,600

*Bank overdraft.
Note: Cents omitted.

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Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 89,224	$ 89,280	$ 96,072	$120,283	$110,697
Interest—					
Dep. and deb.	$ 36,036	$ 37,192	$ 38,075	$ 39,490	$ 42,030
Expenses	8,704	8,295	8,834	11,398	12,291
Commissions	431	353	1,068	1,143	1,175
Taxes	2,268	2,364	4,489	8,825	4,954
Written down	235	.....	.....	16,659	.....
Patriotic	250	.....	.....	.....	.....
	$ 47,924	$ 48,204	$ 42,466	$ 77,515	$ 60,450
Profits	$ 41,300	$ 41,076	$ 43,606	$ 42,768	$ 50,247
Bal. forward	18,974	21,473	23,750	28,550	22,024
Surplus	$ 60,274	$ 62,549	$ 67,356	$ 71,324	$ 72,271
Distribution—					
Dividends	$ 28,800	$ 28,800	$ 28,800	$ 30,000	$ 32,400
Reserve	10,000	10,000	10,000	15,000	20,000
Bal. forward	21,474	23,749	28,556	22,025	19,871
Contingent	.....	.....	.....	3,699	.....
	$ 60,274	$ 62,549	$ 67,356	$ 71,324	$ 72,271

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 360,000	$ 40,028	7½	11.1	7.1
1913	360,000	39,676	8	11.0	6.9
1914	360,000	43,511	8	12.0	7.2
1915	360,000	44,836	8	12.4	7.4
1916	360,000	42,043	8	11.6	6.8
1917	360,000	41,300	8	11.5	6.6
1918	360,000	41,076	8	11.4	6.3
1919	360,000	43,606	8	12.1	6.6
1920	360,000	42,768	8+½	11.8	6.3
1921	360,000	50,247	8+1	13.9	7.1

MONTREAL LOAN AND MORTGAGE CO., MONTREAL

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$119,909	$121,410	$126,051	$132,689	$126,956
Interest—					
Debenture	$ 8,067	$ 8,067	$ 7,661	$ 7,065	$ 6,997
Deposit	10,099	8,667	8,448	8,453	7,148
Expenses	12,755	12,931	12,998	14,800	16,132
Patriotic	1,600	500	.....	.....	.....
War tax	1,240	1,251	1,254	1,252	1,226
Income tax	2,123	4,029	7,759	8,949	8,135
	$ 35,884	$ 35,445	$ 38,120	$ 40,539	$ 39,638
Net profits	$ 84,025	$ 85,965	$ 87,931	$ 92,150	$87,318
Bal. forward	76,506	44,530	64,494	36,424	50,574
	$160,531	$130,495	$152,425	$128,574	$137,892
Distribution—					
Dividends	$ 66,000	$ 66,000	$ 66,000	$ 78,000	$ 78,000
Reserve	50,000	.....	50,000	.....	.....
Balance	44,531	64,494	36,424	50,574	59,891
	$160,531	$130,494	$152,424	$128,574	$137,892

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 600,000	$ 76,103	9	12.6	6.5
1913	600,000	77,425	10	12.9	6.2
1914	600,000	76,940	10	12.8	6.1
1915	600,000	79,281	10	13.2	6.2
1916	600,000	81,229	10	13.5	6.3
1917	600,000	84,025	10+1	14.0	6.3
1918	600,000	85,965	10+1	14.3	6.4
1919	600,000	87,931	10+1	14.6	6.6
1920	600,000	92,150	12+1	15.3	6.6
1921	600,000	87,318	12+1	14.5	6.0

MORTGAGE CORPORATION OF NOVA SCOTIA, HALIFAX

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 64,480	$ 67,285	$ 74,815	$ 73,768	$ 73,123
Interest—					
Deben., etc.	$ 13,997	$ 14,379	$ 15,245	$ 14,465	$ 13,764
Deposits	1,578	1,219	1,493	1,483	1,672
Cap. calls	984	747	714	720	745
Expenses	14,628	9,547	11,788	9,299	10,281
Directors	700	700	700	1,150	1,150
Written off	.....	1,500	1,000	.....	132
Patriotic	750	350	.....	.....	.....
Taxes	.....	.....	.....	7,634	5,623
	$ 32,637	$ 28,442	$ 30,940	$ 34,751	$ 33,367
Net profits	$ 31,843	$ 38,843	$ 43,875	$ 39,017	$ 39,756
Bal. forward	456	154	262	110	468
Prem. on stocks	.....	1,008	166	116	205
	$ 32,299	$ 40,005	$ 44,303	$ 39,243	$ 40,429
Distribution—					
Dividends	$ 25,144	$ 27,743	$ 29,192	$ 29,774	$ 30,025
Reserve	7,000	12,000	15,000	9,000	10,000
Balance	155	262	110	468	404
	$ 32,299	$ 40,005	$ 44,302	$ 39,243	$ 40,429

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1913	$ 305,503	$ 21,022	6	9.0	7.7
1914	331,130	24,151	6	8.6	7.5
1915	350,254	27,824	6	9.0	7.4
1916	384,310	29,611	6	9.0	7.0
1917	453,276	31,843	6	7.8	6.2
1918	499,146	38,843	6	8.4	6.9
1919	507,654	43,875	6	9.1	7.4
1920	513,541	39,017	6	7.9	6.3
1921	521,192	39,756	6	7.9	6.2

NATIONAL TRUST COMPANY, TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$251,333	$266,784	$281,140	$252,825	$301,865
Patriotic	$ 15,250	$ 13,000	$ 9,500	$	$ .....
Income tax	10,000	14,000	24,200	17,800	25,000
	$ 25,250	$ 27,000	$ 33,700	$ 17,800	$ 25,000
Net profits	$226,080	$239,784	$247,440	$235,025	$276,865
Prem. on stock	.....	.....	.....	375,000	.....
Bal. forward	96,315	122,398	12,182	59,623	84,417
	$322,395	$362,182	$259,622	$669,648	$361,282
Distribution—					
Dividends	$150,000	$150,000	$150,000	$185,232	$240,000
Premises	50,000	50,000	50,000	.....	.....
Reserve	.....	100,000	.....	100,000	.....
Special reserve	.....	50,000	.....	.....	.....
Balance	122,398	12,182	59,623	84,417	121,282
	$322,398	$362,182	$259,623	$669,649	$361,282

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,500,000	$242,042	10	16.1	8.3
1913	1,500,000	252,022	10	16.8	8.7
1914	1,500,000	237,869	10	15.8	7.8
1915	1,500,000	218,902	10	14.9	7.2
1916	1,500,000	222,754	10	14.8	7.4
1917	1,500,000	226,080	10	15.0	7.4
1918	1,500,000	239,784	10	15.9	7.7
1919	1,500,000	247,440	10	16.4	8.0
1920	2,000,000	235,025	11	14.0	7.1
1921	2,000,000	276,865	12	13.8	6.9

NORTHERN CANADIAN MORTGAGE, WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
*Earnings	$ 14,140	$ 21,384	$ 28,723	$ 35,119	$ 40,193
Expenses	$ 6,233	$ 9,300	$ 11,891	$ 14,327	$ 17,813
Interest	3,696	4,068	2,848	2,911	2,910
Loss on sale	.....	53	.....	.....	.....
	$ 9,299	$ 13,421	$ 14,739	$ 17,238	$ 20,723
	$ 4,211	$ 7,963	$ 13,984	$ 17,881	$ 19,470
Bal. forward	43,727	22,938	36,078	53,203	62,511
Adjustment	.....	625	.....	.....	.....
	$ 47,938	$ 31,526	$ 50,062	$ 71,084	$ 81,981
Dividends	$	$	$ 16,164	$ 21,819	$ 27,617
Reserve	25,000	.....	.....	.....	.....
Balance	22,938	31,526	33,896	49,264	54,364
	$ 47,938	$ 31,526	$ 50,060	$ 71,084	$ 81,981

*For six months.

NORTHERN MORTGAGE COMPANY OF CANADA, WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$103,903	$114,860	$121,781	$133,883	$137,485
Bal. forward	142,650	154,961	173,471	199,351	237,173
	$246,553	$269,821	$295,252	$333,234	$374,658
Distribution—					
Dividends	$ 91,592	$ 93,088	$ 94,797	$ 96,061	$116,705
Bal. forward	154,961	176,733	200,455	237,173	257,953
	$246,553	$269,821	$295,252	$333,234	$374,658

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,091,848	$ 74,587	5	6.3	6.2
1913	1,394,058	87,288	5	7.4	7.1
1914	1,617,392	109,419	5	7.5	7.1
1915	1,726,873	113,359	5	6.7	6.2
1916	1,814,322	113,057	5	6.5	6.2
1917	1,848,345	103,903	5	5.7	5.4
1918	1,881,675	114,860	5	6.1	5.7
1919	1,914,692	121,781	5	6.4	5.9
1920	1,925,599	133,883	5	6.9	6.3
1921	1,957,903	137,485	6	7.0	6.2

NORTHERN TRUSTS COMPANY, WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$129,344	$127,697	$137,265	$136,448	$130,910
Bal. forward	106,611	115,955	123,653	*135,592	*148,408
	$235,955	$243,652	$260,918	$272,040	$279,318
Distribution—					
Dividends	$120,000	$120,000	$120,000	$120,000	$120,000
Balance	115,955	123,652	140,918	152,040	159,318
	$235,955	$243,652	$260,918	$272,040	$279,318

*After deduction of staff bonus and tax.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,452,980	$147,786	7	10.7	9.5
1913	1,498,510	168,406	7	11.4	9.9
1914	1,500,000	166,092	8	11.1	9.0
1915	1,500,000	162,524	8	10.8	8.0
1916	1,500,000	154,113	8	10.3	8.2
1917	1,500,000	129,344	8	8.6	6.8
1918	1,500,000	127,697	8	8.5	6.6
1919	1,500,000	137,265	8	9.1	7.1
1920	1,500,000	136,448	8	9.0	7.0
1921	1,500,000	130,910	8	8.7	6.8

NOVA SCOTIA TRUST CO., HALIFAX

Distribution of Earnings.

	1917	1918	1919	1920	1921
Profits	$ 15,173	$ 20,612	$ 26,672	*$24,146	*$21,426
Balance forward	28,683	32,511	18,244	912	6,560
	$ 43,856	$ 53,123	$ 44,916	$ 25,058	$ 27,986
Distribution—					
Dividends	$ 11,346	$ 11,879	$ 22,004	$ 16,499	$ 16,800
Reserve	.....	20,000	20,000	....	....
Depreciation	......	3,000	2,000	2,000	3,000
Balance	32,510	18,244	912	6,559	8,186
	$ 43,856	$ 53,123	$ 44,916	$ 25,058	$ 27,986

*Less taxes.

OKANAGAN LOAN & INVESTMENT CO., KELOWNA, B.C.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 46,414	$ 45,441	$ 48,417	$ 59,641	$ 63,028
Interest	$ 3,792	$ 3,913	$ 3,075	$ 4,042	$ 4,398
Expenses	10,612	11,252	11,658	15,949	18,317
Taxes	874	1,498	1,113	2,665	3,666
Depreciation	113	115	140	130	128
Written off	.....	5,310	6,352	....	....
	$ 15,391	$ 22,088	$ 22,338	$ 22,786	$ 26,509
Net profits	$ 31,023	$ 23,353	$ 26,079	$ 36,675	$ 36,519
Bal. forward	618	18	748	298	717
	$ 31,641	$ 23,731	$ 26,827	$ 36,973	$ 37,236
Distribution—					
Dividends	$ 15,622	$ 15,622	$ 19,529	$ 27,255	$ 27,255
Reserve	16,000	7,000	7,000	9,000	9,500
Balance	18	748	298	717	480
	$ 31,641	$ 23,371	$ 26,827	$ 36,972	$ 37,235

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1914	$ 384,840	$ 30,328	7	8.0	7.9
1915	390,560	16,417	2	4.2	3.8
1916	390,560	18,509	2	4.7	4.1
1917	390,560	31,023	4	7.9	6.7
1918	390,580	23,353	4	6.0	5.0
1919	390,580	26,079	5	6.6	5.5
1920	390,580	36,675	7	9.6	7.8
1921	390,580	36,519	7	9.4	7.4

ONTARIO LOAN AND DEBENTURE CO., LONDON, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$489,048	$478,250	$501,085	*$279,893	*$314,792
Interest—					
Sterling debs.	$ 71,031	$ 64,519	$ 69,263	$	$ .....
Currency	54,032	53,098	62,292	.....	.....
Deposits	33,877	29,313	31,385	.....	.....
Taxes	8,151	7,671	7,901	.....	.....
Expenses (debs.)	1,043	4,113	5,646	.....	.....
Commissions, etc.	17,674	13,764	12,962	.....	.....
Management	34,949	38,006	40,799	.....	.....
War tax	10,181	14,027	23,155	28,864	25,201
Patriotic	3,500	3,000	1,500	.....	.....
	$234,438	$227,511	$254,903	$ 28,864	$ 25,201
Net profits	$254,610	$250,739	$246,182	$251,029	$289,591
†Surplus	.....	.....	.....	23,000	.....
Bal. forward	53,593	50,703	43,942	32,623	31,653
	$308,203	$301,442	$290,124	$306,652	$321,244
Distribution—					
Dividends	$157,500	$157,500	$157,500	$175,000	$175,000
Reserve	100,000	100,000	100,000	100,000	100,000
Balance	50,703	43,942	32,624	31,653	46,244
	$308,203	$301,442	$290,124	$306,653	$321,244

*After payment of interest, expenses and taxes, etc.
†Surplus realized from sale of old office building.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,750,000	$238,543	8	13.6	7.6
1913	1,750,000	253,733	8½	14.5	7.8
1914	1,750,000	254,788	9	15.0	7.7
1915	1,750,000	264,365	9	15.5	7.7
1916	1,750,000	261,082	9	15.3	7.4
1917	1,750,000	254,610	9	15.0	7.0
1918	1,750,000	250,739	9	14.7	6.5
1919	1,750,000	246,182	9	14.4	6.3
1920	1,750,000	251,029	9+1	14.8	6.4
1921	1,750,000	289,591	10	16.5	7.0

OWEN SOUND LOAN & SAVINGS CO., OWEN SOUND

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 13,626	$ 13,687	$ 13,670	$ 14,924	$ 14,507
Interest					
On deposits	$ 3,437	$ 3,057	$ 3,398	$ 3,320	$ 3,430
On bank loans	....	....	....	343	156
Expenses & taxes	2,267	2,379	2,167	2,994	2,793
	$ 5,704	$ 5,436	$ 5,565	$ 6,657	$ 6,379
Net profits	$ 7,922	$ 8,251	$ 8,105	$ 8,267	$ 8,128
Dividends	$ 7,769	$ 7,850	$ 8,056	$ 8,231	$ 8,065
Balance	152	401	49	36	63
	$ 7,922	$ 8,251	$ 8,105	$ 8,267	$ 8,128

PEOPLE'S LOAN & SAVINGS CO., LONDON, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 63,272	$ 64,155	$	$	$ .....
Interest—					
Deposits	$ 8,726	$ 9,606	$	$	$ ....
Debentures	6,626	6,457	....	....	....
Taxes, Gov. fees	3,424	3,600	....	....	....
Written off	.....	363	.....	.....	.....
Gen. expenses	14,640	13,817	.....	.....	.....
	$ 33,417	$ 33,843	$	$	$ .....
Net profits	$ 29,855	$ 30,312	$ 31,654	$ 28,393	$ 29,229

The Real Estate Loan Company
OF CANADA, LIMITED
Established Under Dominion Charter, 1883

THE debentures of this Company are issued on an especially conservative basis, being limited by by-law to the amount of the fully paid capital and reserve of the Company. As this Company does not take deposits, its debentures are a first charge upon the whole assets of the Company.

Additional information may be obtained from the head office of the Company, 28 Wellington Street, E., Toronto, or from the Financial Agents in Scotland.

Directors:

EDMUND WRAGGE, M.I.C.E., President
H. W. MICKLE, K.C., Vice-President
WILLIAM A. COOKE
H. WILBERFORCE AIKINS, M.D.
EDWARD L. MORTON
E. L. MORTON, Managing Director

MANITOBA AGENT:
ALEXANDER BAIN, Winnipeg, Man.

BRITISH COLUMBIA AGENTS:
LONDON & BRITISH NORTH AMERICA CO., Ltd., Vancouver, B.C.

ALBERTA AGENTS:
KIRKPATRICK & SCARTH, Ltd., Edmonton, Alta.

FINANCIAL AGENTS IN SCOTLAND:
MARTIN CURRIE & CO., C.A., Edinburgh.

BANKERS IN CANADA:
IMPERIAL BANK OF CANADA

BANKERS IN SCOTLAND:
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Hamilton Provident and Loan Corporation

Established 1871.

Cor. King and Hughson Streets, HAMILTON, Ont.

GEORGE HOPE, President.
JOSEPH J. GREENE, Vice-President.

Directors:

LIEUT.-COL. H. L. ROBERTS | W. A. WOOD
STANLEY MILLS | LIEUT.-COL. WM. HENDRIE

Capital Subscribed $2,000,000.00
Capital Paid Up 1,200,000.00
Reserve & Undivided Profits 1,353,283.67
Total Assets 4,765,056.20

DEBENTURES issued in sums of $100 and upwards, for one to five years, at highest current rates.
SAVINGS DEPARTMENT—Deposits received and interest allowed on DAILY BALANCES. Withdrawable by cheque.
TRUSTEES AND EXECUTORS are authorized by by-law to invest Trust Funds in the Debentures and Savings Department of this Corporation.
MONEY TO LOAN on productive property.

D. M. CAMERON, General Manager.

The Ontario Loan & Debenture Co.

(Incorporated 1870)

LONDON - - ONTARIO

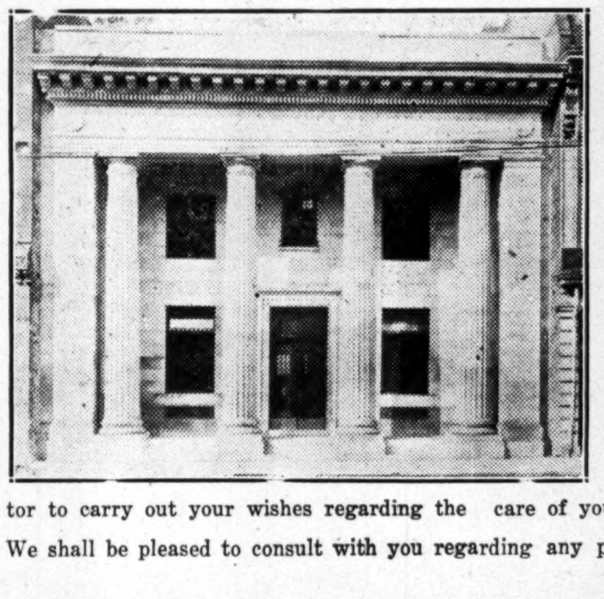
Capital, Paid Up - - - $1,750,000
Reserve Fund and Undivided Profits - 2,396,244

DEPOSITS Received. **3½%**

DEBENTURES Issued. **5½%**

MORTGAGE LOANS—Loans on Canadian Real Estate (Improved Farm and City Property) at Lowest Rates

A. M. SMART, President
T. H. MAIN, Manager



THE WELFARE OF YOUR CHILDREN

is a matter about which you are properly greatly concerned. During your lifetime you can make such provision as is possible for their proper care, should you be taken away. Your Will should contain very carefully considered directions for their protection and advancement in life.

The experience and the continuous service of this Company strongly recommend it as the proper executor to carry out your wishes regarding the care of your children.

We shall be pleased to consult with you regarding any problem of estate administration.

The London & Western Trusts Company, Limited

ARTHUR T. LITTLE, President
DUNCAN McARTHUR, Assistant Manager
JOHN S. MOORE, Manager

Bal. forward ..	1,789	949	2,149	4,589	3,584
	$ 31,644	$ 31,261	$ 33,803	$ 32,982	$ 32,813
Distribution—					
Dividends	$ 28,695	$ 24,112	$ 24,214	$ 24,398	$ 24,531
Reserve	2,000	5,000	5,000	5,000	5,000
Balance	949	2,149	4,589	3,584	3,282
	$ 31,644	$ 31,261	$ 33,803	$ 32,982	$ 32,813

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 418,300	$ 27,776	6	7.5	6.7
1913	438,238	28,218	6	6.5	6.0
1914	451,873	30,176	6	6.7	6.2
1915	463,621	29,840	6	6.5	5.9
1916	474,394	31,690	6	6.7	6.3
1917	480,877	29,855	6	6.2	5.7
1918	482,954	30,312	5	6.3	5.7
1919	486,720	31,654	5	6.5	5.9
1920	489,388	28,392	5	6.0	5.2
1921	494,101	29,229	5	5.9	5.2

PREMIER TRUST CO., LONDON

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 10,049	$ 10,526	$ 13,065	$ 13,855	$ 15,843
Expenses	$ 3,569	$ 4,564	$ 4,546	$ 4,288	$ 3,725
Interest	671	1,235	1,519	2,016	3,330
Taxes	57	....	177	201	1,620
	$ 4,297	$ 5,799	$ 6,242	$ 6,505	$ 8,675
Profits	$ 5,752	$ 4,727	$ 6,823	$ 7,350	$ 7,168
Brought forward	3,066	1,864	2,015	1,065	1,567
	$ 8,818	$ 6,591	$ 8,838	$ 8,415	$ 8,735
Dividends	$ 6,953	$ 4,576	$ 4,773	$ 6,321	$ 6,515
Reserve	....	....	3,000	2,000	2,000
Balance	1,865	2,015	1,065	93	221
	$ 8,818	$ 6,591	$ 8,838	$ 8,415	$ 8,735

PRUDENTIAL TRUST CO., MONTREAL

Distribution of Earnings.

	1917	1918	1919	1920	1921
Net profits	$ 3,688	$ 25,863	$ 30,687	$ 41,894	$ 44,343
Contingent res...	$ 3,688	$ 25,863	$ 30,687	$ 35,976	$ 44,343
Dividends	.....	.....	.....	5,918	.....
	$ 3,688	$ 25,863	$ 30,687	$ 41,894	$ 44,343

REAL ESTATE LOAN CO., TORONTO

	1917	1918	1919	1920	1921
Earnings	$ 99,169	$ 84,743	$ 84,151	$ 90,087	$ 94,897
Deductions—					
Interest	$ 30,890	$ 30,766	$ 31,345	$ 26,641	$ 27,246
Expenses	853	731	1,446	816	2,602
Management ..	10,724	10,786	11,432	12,380	13,082
Taxes	3,123	2,579	3,711	10,188	4,567
	$45,590	$ 44,862	$ 47,934	$ 50,025	$ 47,497
Net earnings ...	$ 53,579	$ 39,881	$ 36,217	$ 40,062	$ 47,400
Bal. forward	5,375	2,754	6,434	1,451	5,312
	$ 58,594	$ 42,635	$ 42,651	$ 41,513	$ 52,712
*Less	1,200	1,200	1,200	1,200	1,200
	$ 57,754	$ 41,435	$ 41,451	$ 40,313	$ 51,512
Distribution—					
Dividends	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Reserve	20,000	.....	5,000	.....	10,000
Balance	2,754	6,435	1,451	5,313	5,403
Contingent	.....	.....	.....	.....	1,109
	$ 57,754	$ 41,435	$ 41,451	$ 40,313	$ 51,512

*Voted to President and Vice-President.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 500,000	$ 51,726	6½	10.4	8.0
1913	500,000	57,258	7	11.4	8.6
1914	500,000	57,621	7	11.5	8.5
1915	500,000	56,695	7	11.3	8.1
1916	500,000	55,169	7	11.0	7.7
1917	500,000	53,579	7	10.7	7.2
1918	500,000	39,881	7	8.0	5.2
1919	500,000	36,217	7	7.2	5.0
1920	500,000	40,062	7	8.0	5.5
1921	500,000	47,400	7	9.4	6.3

ROYAL LOAN AND SAVINGS CO., BRANTFORD

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$161,727	$168,143	$170,115	$170,692	$168,054
Interest	$ 64,538	$ 62,944	$ 62,609	$ 66,144	$ 64,240
Expenses	21,702	22,528	27,056	27,742	25,375
War tax	1,677	6,000	.....	6,000	6,500
Patriotic	3,250	3,750	700	.....	.....
Written off	5,000	.....	.....	.....	.....
	$ 96,167	$ 95,222	$ 90,365	$ 99,886	$ 96,115
Net profits	$ 65,560	$ 72,921	$ 79,750	$ 70,806	$ 71,939
Bal. forward ...	3,184	5,744	10,666	11,416	8,223
	$ 68,744	$ 78,665	$ 90,416	$ 82,222	$ 80,162
Distribution—					
Dividends	$ 48,000	$ 48,000	$ 54,000	$ 54,000	$ 54,000
Reserve	15,000	20,000	25,000	20,000	15,000
Balance	5,744	10,665	11,416	8,223	11,162
	$ 68,744	$ 78,665	$ 90,416	$ 82,223	$ 80,162

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 580,600	$ 61,707	7	10.6	7.1
1913	581,700	66,241	7	11.4	7.4
1914	585,250	57,814	7½	9.9	6.1
1915	586,200	56,524	8	9.7	5.9
1916	600,000	60,566	8	10.2	6.3
1917	600,000	65,560	8	10.9	6.6
1918	600,000	72,921	8	12.1	7.2
1919	600,000	79,750	9	13.2	7.7
1920	600,000	70,806	9	11.8	6.6
1921	600,000	71,939	9	11.9	6.6

SASKATCHEWAN GENERAL TRUSTS CORPORATION, REGINA

Distribution of Earnings.

	1918	1919	1920	1921
Profits	$ 7,682	$ 9,348	$ 10,292	$ 9,731
Tax reserve	$ 350	$ 802	$ 849	$ 952
Net profits	$ 7,332	$ 8,546	$ 9,443	$ 8,779
Premium on stock	.....	1,161	.....	9,112
Balance forward	4,581	6,842	4,839	7,074
	$ 11,913	$ 16,549	$ 14,282	$ 24,965
Distribution—				
Dividends	$ 5,071	$ 6,358	$ 7,208	$ 7,396
Depreciation	.....	152	.....	.....
Reserve	.....	5,200	.....	10,000
Balance	6,842	4,839	7,074	7,569
	$ 11,913	$ 16,549	$ 14,282	$ 24,965

SASKATCHEWAN LOAN & INVESTMENT CO., MOOSE JAW

Distribution of Earnings.

	1918	1919	1920	1921
Profits	$ 24,417	$ 25,280	$ 26,649	*$21,756
Tax reserve	$ 750	$ 2,200	$ 2,578	$ 4,646
	$ 23,667	$ 23,080	$ 24,071	$ 17,110
Adjustments	.....	410	.....	.....
Balance forward	8,561	7,859	5,323	6,917
	$ 32,228	$ 31,349	$ 29,394	$ 24,027
Distribution—				
Dividends	$ 19,369	$ 21,026	$ 22,476	$ 18,565
Reserve	5,000	5,000	.....	.....
Balance	7,859	5,323	6,917	5,462
	$ 32,228	$ 31,349	$ 29,394	$ 24,027

*For ten months.

SASKATCHEWAN MORTGAGE AND TRUST CORPORATION, REGINA

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 64,639	$ 70,421	$ 73,691	$ 80,384	$ 77,997
Expenses	$ 15,447	$ 16,008	$ 16,992	$ 19,511	$ 21,785
Res. for taxes..	.....	.....	.....	9,929	5,420

	1917	1918	1919	1920	1921
Net profits	$ 49,192	$ 54,413	$ 56,699	$ 50,944	$ 50,792
Bal. forward ...	4,862	10,247	9,637	7,336	10,354
	$ 54,054	$ 64,660	$ 66,336	$ 58,280	$ 61,146
Distribution—					
Dividends	$ 43,807	$ 45,187	$ 46,513	$ 47,925	$ 48,575
Reserves	.....	10,000	10,000	.....	5,000
Balance	10,247	9,473	9,823	10,354	7,571
	$ 54,054	$ 64,660	$ 66,336	$ 58,280	$ 61,146

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 492,807	$ 17,685	7	13.5	9.6
1913	621,456	23,230	7	11.2	8.7
1914	710,947	33,455	7	9.5	7.0
1915	733,600	42,648	*7	8.2	7.6
1916	759,686	43,033	6	7.1	6.1
1917	777,206	49,192	6	7.5	6.3
1918	791,043	54,413	6	7.8	6.8
1919	808,705	56,699	6	7.7	6.6
1920	824,070	50,944	6	6.6	5.7
1921	826,814	50,792	6	6.5	5.5

*The rate was reduced to 6% during the last six months.

SECOND INVESTORS' MORTGAGE SECURITY COMPANY, SCOTLAND

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$111,520	$112,075	$118,935	$135,660	$173,425
Directors' fees ..	$ 8,350	$ 8,425	$ 8,640	$ 9,845	$ 10,000
Expenses	4,085	3,785	3,360	3,435	3,380
Income tax	28,380	36,410	41,695	41,140	61,710
	$ 40,815	$ 48,620	$ 53,695	$54,420	$ 75,090
Net profits	$ 70,705	$ 63,455	$ 65,240	$ 81,240	$ 98,335
Bal. forward ...	11,255	16,056	18,200	19,115	20,825
	$ 81,960	$ 79,510	$ 83,440	$100,355	$119,160
Dividends	$ 62,645	$ 61,110	$ 60,985	$ 74,745	$ 81,200
Reserve	3,260	200	3,340	4,780	14,855
Balance	16,055	18,200	19,115	20,830	23,105
	$ 81,960	$ 79,510	$ 83,440	$100,355	$119,160

In the foregoing analysis, the company's figures in sterling have been converted on the basis of $5 to the £.

SECURITY LOAN AND SAVINGS CO., ST. CATHARINES, ONT.

Distribution of Earnings

	1917	1918	1919	1920	1921
*Net profits	$ 44,387	$ 47,022	$ 47,357	$ 43,592	$ 43,707
Bal. forward	1,514	4,506	5,075	5,737	2,390
Insurance	....	....	....	....	3,084
	$ 45,901	$ 51,528	$ 52,432	$ 49,329	$ 49,181
Distribution—					
Dividends	$ 31,394	$ 31,452	$ 31,695	$ 31,938	$ 34,938
Reserve	10,000	15,000	15,000	15,000	10,000
Balance	4,506	5,075	5,737	2,390	4,582
	$ 45,900	$ 52,527	$ 52,432	$ 49,328	$ 49,181

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 400,000	$ 28,956	5	7.8	6.8
1913	450,250	34,811	5	8.2	7.1
1914	496,575	39,468	5	8.3	7.2
1915	500,000	41,278	6	9.1	7.6
1916	521,000	46,623	6	9.2	7.6
1917	524,200	44,378	6	8.5	7.0
1918	524,200	47,022	6	9.0	7.1
1919	532,300	47,357	6	9.1	7.0
1920	532,300	43,592	6	8.2	6.3
1921	532,300	43,707	6½	8.2	6.1

* After deducting expenses and taxes

SOUTHERN LOAN AND SAVINGS CO., ST. THOMAS

Distribution of Earnings

	1917	1918	1919	1920	1921
Earnings	$146,804	$147,293	$157,862	$167,216	$166,806
Expense—					
Interest	$ 52,767	$ 52,021	$ 55,713	$ 62,068	$ 60,747
Expenses	11,114	10,979	12,299	12,385	16,437
Directors	736	580	816	895	...
Taxes	.....	..142	152	12,193	11,150
License	1,704	1.570	1,558	.....	.....
Commissions ..	2,409	2,267	4,578	1,912	....
Written off ...	2,000	....	....	....	973
Patriotic	500	500	500	....	....
War tax	1,494	1,465	2,789	....	....
Tax reserve ...	....	....	1,400	....	....
	$ 72,724	$ 69,524	$ 79,805	$ 89,453	$ 89,307
Net profits	$74,080	$ 77,769	$ 78,057	$ 77,763	$ 77,499
Bal. forward	12,012	15,957	19,725	14,781	14,543
	$ 86,092	$ 93,726	$ 97,782	$ 82,544	$ 92,042
Distribution—					
Dividends	$ 54,000	$ 54,000	$ 63,000	$ 63,000	$ 63,000
Reserves	15,000	20,000	20,000	15,000	15,000
Stock reduction	1,134	....	....	....	....
Balance	15,958	19,726	14,782	14,543	14,042
	$ 86,092	$ 93,726	$ 97,782	$ 82,543	$ 92,042

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 907,150	$ 67,960	6	7.5	6.4
1913	907,500	69,994	6	7.7	6.5
1914	907,950	72,202	6	8.0	6.6
1915	908,950	73,670	6	8.2	6.6
1916	908,950	72,416	6	8.0	6.6
1917	900,000	74,080	6	8.2	6.7
1918	900,000	77,769	6	8.6	7.0
1919	900,000	78,057	6+1	8.6	6.9
1920	900,000	77,763	6+1	8.6	6.5
1921	900,000	77,499	6+1	8.6	6.4

THE STANDARD TRUSTS COMPANY, WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$ 94,171	$ 93,785	$111,004	$101,822	$ 75,450
Balance for. ..	20,487	27,158	5,641	26,645	38,468
Prem. on stock	.....	62,500	.....	.....	.....
	$114,658	$183,443	$116,645	$127,467	$113,918
Distribution—					
Dividends	$ 67,500	$ 77,803	$ 90,000	$ 90,000	$ 70,000
Reserve	20,000	100,000	.....	.....	.....
Balance	27,158	5,640	26,645	38,468	43,918
	$114,658	$183,443	$116,645	$128,468	$113,918

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 500,000	$104,982	8½	20.9	14.9
1913	750,000	135,348	9	20.0	14.3
1914	750,000	118,155	9	15.7	10.2
1915	750,000	98,265	9	13.2	8.1
1916	750,000	87,919	9	11.7	7.1
1917	750,000	94,171	9	12.5	7.7
1918	1,000,000	83,785	9	10.9	6.8
1919	1,000,000	111,004	9	11.1	7.5
1920	1,000,000	101,822	9	10.1	6.3
1921	1,000,000	75,450	7	7.5	5.0

STERLING TRUSTS CORPORATION, TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Net earnings ...	$ 20,198	$ 24,004	$ 62,197	$ 34,410	$ 11,736
Bal. forward	3,800	8,998	8,002	8,279	18,608
Trans. from res.	....	....	100,000	....	....
	$ 23,998	$ 33,002	$170,199	$ 42,689	$ 30,344
Reserves	$ 15,000	$ 25,000	$	$	$ .....
Balance	8,998	8,002	8,279	21,320	30,344
Assets writ. down	....	....	161,920	....	....
*Appropriation ..	....	....	....	21,368	....
	$ 23,998	$ 33,002	$170,199	$ 42,689	$ 30,344

*Appropriation in respect of loss on operation of Great Northern Land Co.

TORONTO GENERAL TRUSTS CORPORATION, TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$621,447	$654,130	$757,338	$820,269	$873,964
Expenses	220,561	332,161	413,354	466,556	501,365
Patriotic	12,000	13,000	6,500	....	3,350
Written off	25,000	30,600	19,767	41,067	60,443
Income tax	11,000	12,000	25,000	25,000	37,000
	$368,561	$387,761	$646,621	$532,623	$602,158

THE TORONTO MORTGAGE CO.

13 TORONTO ST., TORONTO

WELLINGTON FRANCIS, K.C., PRESIDENT — HERBERT LANGLOIS, VICE-PRESIDENT

Present Cash Value of Total Assets - - $3,167,930.00

Surplus, Over all Liabilities to Public - - 1,504,700,00

4% *Allowed on Savings Deposits, Withdrawable by Cheque.*

5½% *Paid on Debentures in all Denominations for two to five years.*

TELEPHONE MAIN 1221 — LEGAL INVESTMENT FOR TRUST FUNDS — WALTER GILLESPIE, MANAGER

Guelph and Ontario Investment and Savings Society

Interest allowed on DEPOSITS of ONE DOLLAR and upwards at THREE AND ONE-HALF PER CENT. per annum, payable half-yearly.

DEBENTURES issued for $100.00 and upwards bearing a special rate of interest.

The Guelph Trust Company

Managed in connection with the Guelph and Ontario Investment and Savings Society

Estates managed, rents and other revenue collected. Safety deposit boxes to rent.

When making your will appoint The Guelph Trust Company to act as your executor.

Office: Corner Wyndham and Cork Sts., Guelph

J. E. McElderry, Managing Director — J. M. Purcell, Assistant Manager

The British Mortgage Loan Company of Ontario

Stratford, Canada

ESTABLISHED 1877

4% *Paid on Deposits*

Capital Paid Up	- -	$ 500,000
Reserve Fund	- -	470,000
Total Assets Over	- -	3,350,000

5% *Paid on Debentures*

J. W. SCOTT, President

HON. NELSON MONTEITH, Vice-President J.A. DAVIDSON, Managing Director

How Estates May Suffer

It frequently occurs that a business associate is called upon to devote a good deal of time in the settlement of a friend's estate.

Being deeply engrossed in his own affairs it is only natural that the estate suffers because it does not receive the timely attention it deserves and demands.

By appointing a TRUST COMPANY as executor or trustee under your will you are assured of efficient and uninterrupted service.

Correspondence Invited.

THE TRUSTS AND GUARANTEE COMPANY LIMITED

BRANTFORD TORONTO CALGARY

JAMES J. WARREN, PRESIDENT — E.B. STOCKDALE, GENERAL MANAGER

	1917	1918	1919	1920	1921
Net profits	$252,886	$266,369	$292,717	$287,646	$271,806
Prem. on stock.	....	....	....	171,395	204,857
Bal. forward ..	98,557	101,443	152,812	265,529	293,163
	$351,443	$367,812	$445,529	$724,570	$769,826
Distribution—					
Dividends	$150,000	$165,000	$180,000	$180,000	$229,448
Int. on stock.	....	....	....	1,407	....
Reserves	100,000	50,000	....	250,000	265,000
Balance	101,443	152,812	265,529	293,163	200,378
Premises	....	....	....	....	75,000
	$351,443	$367,812	$445,529	$724,570	$769,826

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,250,000	$216,760	10	18.0	12.7
1913	1,500,000	277,889	10	18.5	10.6
1914	1,500,000	308,126	10	20.0	10.2
1915	1,500,000	312,826	10	20.8	10.4
1916	1,500,000	270,883	10	18.0	.8.2
1917	1,500,000	252,886	10	17.0	7.4
1918	1,500,000	266,369	10+1	18.0	7.6
1919	1,500,000	292,717	10+2	19.4	8.1
1920	1,726,960	287,646	11+1	19.1	7.6
1921	2,000,000	271,806	12	15.1	6.0

TORONTO MORTGAGE CO., TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$203,835	$206,155	$213,568	$216,641	$222,110
Interest—					
Sterling debts	$ 67,484	$ 69,917	$ 75,282	$ 74,480	$ 73,045
Currency debs.	12,309	12,341	12,615	12,620	12,785
Deposits	3,747	3,539	3,441	3,329	3,101
Charges on money	4,197	5,704	5,116	2,893	4,625
Management ...	21,072	19,890	21,298	29,933	37,158
Patriotic	*4,204	*5,222	....	....	....
War Tax	....	....	5,643	....	....
	$113,018	$116,613	$123,395	$123,255	$130,714
Net profits	$ 90,822	$ 89,542	$ 90,173	$ 93,386	$ 91,396
Balance forward	35,010	37,871	39,449	39,412	37,588
†Prov. for loss..	....	....	25,000	....	....
	$125,832	$127,413	$154,622	$132,798	$128,984
Distribution—					
Dividends ...	$ 57,964	$ 57,964	$ 65,209	$ 65,209	$ 65,209
Reserve	30,000	30,000	50,000	30,000	25,000
Balance	37,871	39,449	39,413	37,588	38,775
	$125,835	$127,413	$154,622	$132,798	$128,984

*Includes war taxes.
†Prior provision for losses not now required.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 724,550	$ 77,516	7	10.7	6.7
1913	724,550	86,841	8	12.0	7.3
1914	724,550	90,437	8	12.6	7.5
1915	724,550	93,038	8	13.0	7.4
1916	724,550	95,140	8	13.1	7.8
1917	724,550	90,822	8	12.6	6.9
1918	724,550	89,542	8	12.4	6.7
1919	724,550	90,173	8+1	12.5	6.7
1920	724,550	93,386	9	12.9	6.7
1921	724,550	91,396	9	12.6	6.4

TORONTO SAVINGS AND LOAN CO., PETERBORO, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Profit	$150,554	$147,903	$148,389	$155,825	$156,856
Balance forwad.	36,147	36,701	34,604	42,993	58,818
	$186,701	$184,604	$182,993	$198,818	$215,674
Distributions—					
Dividends	$100,000	$100,000	$140,000	$140,000	$140,000
Reserve	50,000	50,000	....	....	....
Bal. forward .	36,701	34,604	42,993	58,818	75,674
	$186,701	$184,604	$182,993	$198,818	$215,674

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,000,000	$146,811	10	14.6	8.1
1913	1,000,000	157,102	10	15.7	8.4
1914	1,000,000	135,658	10	13.5	7.0
1915	1,000,000	141,668	10	14.2	7.3
1916	1,000,000	148,485	10	14.8	7.5
1917	1,000,000	150,554	10	15.0	7.4
1918	1,000,000	147,903	10	14.7	7.1
1919	1,000,000	148,389	10+4	14.8	7.0
1920	1,000,000	155,825	12+2	15.5	7.4
1921	1,000,000	156,856	12+2	15.6	7.4

TRUSTS AND GUARANTEE CO., TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings	$107,966	$107,543	$110,175	$111,975	$100,143
Balance forward	416,370	441,142	465,244	*232,095	259,582
	$524,336	$548,685	$575,419	$344,070	$359,725
Distribution—					
Dividends	$ 83,194	$ 83,441	$ 83,856	$ 84,488	$ 84,574
Balance for. .	441,141	465,244	491,563	259,582	275,151
	$524,336	$548,685	$575,419	$344,070	$359,725

*Less amount written off on realization and revaluation of securities.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,344,901	$117,906	6	8.8	7.3
1913	1,350,547	125,082	6	9.3	7.6
1914	1,361,616	106,077	6	7.8	6.2
1915	1,369,314	102,261	6	7.5	5.0
1916	1,380,655	105,146	6	7.8	5.9
1917	1,388,364	107,966	6	7.8	6.0
1918	1,391,928	107,543	6	7.7	5.8
1919	1,402,469	110,175	6	7.9	6.0
1920	1,409,109	111,975	6	8.0	6.2
1921	1,410,660	100,143	6	7.1	6.0

THE TRUST & LOAN COMPANY OF CANADA

Distribution of Earnings.

	1917	1918	1919	1920	1921
Income ..	$1,406,640	$1,387,285	$1,324,155	$1,480,780	$1,668,305
Earnings	$ 621,470	$ 634,460	$ 550,310	$ 592,875	$ 555,130
Distribution—					
Stat. res.	$ 220,735	$ 147,080	$	$	$ 75,065
Spec. res...	3,625	......	......	......	......
Income tax	87,190	75,770	42,695	14,000	......
Dividend	150,000	150,000	225,000	225,000	225,000
Contingents	....	25,000	50,000	150,000	......
Deduct ..	$ 461,550	$ 397,850	$ 317,695	$ 389,000	$ 300,065
Balance .	$ 159,920	$ 236,610	$ 232,625	$ 203,875	$ 255,065
Previous.	170,240	180,160	266,770	274,385	253,260
Total ..	$ 330,160	$ 416,770	$ 499,395	$ 478,260	$ 508,325

Rate of Earnings.

Year	Paid-up Capital	Earnings	Div.
1913	$3,000,000	$620,259	9
1914	3,000,000	620,235	9
1915	3,000,000	607,297	8
1916	3,000,000	625,020	10
1917	3,000,000	621,470	10
1918	3,000,000	634,460	12½
1919	3,000,000	550,310	15
1920	3,000,000	592,875	15
1921	6,750,000	555,130	6½

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

UNION TRUST COMPANY, TORONTO

Distribution of Earnings.

	1917	1918	1919	1920	1921
*Earnings	$ 94,187	$100,538	$103,128	$ 90,166	$ 90,230
Patriotic	2,250	2,175	525	......	......
Net profits	91,937	98,363	102,603	90,166	90,230
Balance forward	36,531	15,702	44,065	76,668	96,835
	$128,468	$114,065	$146,668	$166,834	$187,065
Distribution—					
Dividend	$ 85,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
Reserves	27,766	....	....	....	....
Balance	15,702	44,065	76,668	96,835	117,064
	$128,468	$114,065	$146,668	$166,835	$187,064

*Taxes deducted.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$1,000,000	$206,401	10	20.6	11.6
1913	1,000,000	209,794	10	20.1	10.6
1914	1,000,000	162,075	10	16.2	8.2
1915	1,000,000	154,524	10	15.5	7.8
1916	1,000,000	125,195	10	12.5	6.3
1917	1,000,000	91,937	9	9.1	4.8
1918	1,000,000	98,363	7	9.8	6.7
1919	1,000,000	102,603	7	10.2	6.8
1920	1,000,000	90,166	7	9.0	6.0
1921	1,000,000	90,230	7	9.0	6.0

VICTORIA LOAN AND SAVINGS CO., LINDSAY

Distribution of Earnings.

	1917	1918	1919	1920	1921
*Year's earnings	$ 54,553	$ 58,774	$ 75,346	$ 77,582	$ 91,158
Balance forward	4,071	5,263	10,109	9,465	9,241
Premiums . . .	14,243	15,757	36,410	16,000	25,426
Deductions . .	$ 72,867	$ 79,794	$121,865	$103,047	$125,825
Distribution—					
Dividends . .	$ 32,604	$ 34,685	$ 42,399	$ 51,806	$ 59,684
Reserve . . .	35,000	35,000	70,000	42,000	60,000
Balance . . .	5,263	10,109	9,466	9,241	6,142
Deductions. . .	$ 72,867	$ 79,794	$121,865	$103,047	$125,826

*After deduction of both special war and ordinary taxes.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1912	$ 325,473	$ 33,017	7	10.1	8.7
1913	396,953	43,939	7	11.0	10.5
1914	400,000	46,674	7	11.6	8.8
1915	400,000	46,700	7½	11.6	8.5
1916	400,000	50,234	7½	12.5	9.0
1917	447,475	54,553	7½	12.4	9.4
1918	500,000	58,774	7½	11.9	8.8
1919	600,000	75,346	8	14.2	9.9
1920	640,000	77,582	8½	12.5	9.1
1921	703,566	91,158	9	13.8	8.3

THE WATERLOO COUNTY LOAN & SAVINGS COMPANY, WATERLOO, ONT.

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings . . .	$ 85,498	$102,846	$144,033	$178,115	$182,089
Interest—					
On deposits .	$ 21,555	$ 24,737	$ 40,122	$ 51,181	$ 53,483
On deben. . .	12,344	16,708	23,873	28,377	31,103
On loans . .	....	2,595	3,520	11,158	4,921
Com. on loans .	1,389	1,463	1,459	1,698	4,008
Expenses . .	15,355	16,285	23,945	28,706	28,997
Written off . . .	500	596	1,465	....	743
Income Tax . . .	....	....	....	....	4,197
	$ 51,143	$ 62,384	$ 94,384	$121,120	$127,451
Net earnings . .	$ 34,355	$ 40,462	$ 49,649	$ 56,995	$ 54,638
Prem. on stocks	646	4,367	8,864	1,753	1,950
Balance forward	1,878	1,225	1,532	2,256	2,496
*From contingent	....	....	....	....	4,197
	$ 36,879	$ 46,054	$ 60,045	$ 61,004	$ 63,281
Dividends. . .	$ 24,153	$ 26,022	$ 32,988	$ 37,507	$ 39,268
Reserve	10,000	15,000	21,800	15,000	15,000
Contingent . . .	1,500	3,500	3,000	6,000	....
Balance.. . . .	1,226	1,532	2,256	2,496	9,012
	$ 36,879	$ 46,054	$ 60,045	$ 61,004	$ 63,280

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1915	$ 332,876	$ 25,323	6	7.8	7.0
1916	383,779	31,762	6	8.8	7.7
1917	415,366	34,355	6	8.5	7.4
1918	481,802	40,462	6	9.3	8.0
1919	604,331	49,649	6	9.2	7.9
1920	638,764	56,995	6	9.1	7.7
1921	674,295	54,637	6	8.4	6.9

*Brought forward from contingent funds provided for Dominion Government income tax.

WESTERN TRUST COMPANY, WINNIPEG

Distribution of Earnings

	1917	1918	1919	1920	1921
Profits	$ 82,500	$ 62,391	$ 74,685	$ 90,394	$ 86,125
Prov. for Inc. tax	....	....	6,500	8,500	8,000
Net profits . .	$ 82,500	$ 62,391	$ 68,185	$ 81,894	$ 78,125
Balance forward	49,086	56,336	48,476	66,412	38,006
	$131,586	$118,737	$116,661	$148,306	$116,131
Distribution—					
Dividends . .	$ 50,000	$ 50,250	$ 50 250	$ 60,300	$ 60,300
Reserve . . .	25,000	20,000	....	50,000	....
Balance . . .	56,336	48,477	66,412	38,006	55,831
	$131,586	$118,727	$116,662	$148,306	$116,131

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1915	$1,005,000	$ 84,787	6	8.4	7.0
1916	1,005,600	81,058	5	8.1	6.5
1917	1,005,000	82,500	5	8.2	6.6
1918	1,005,000	62,391	5	6.2	4.9
1919	1,005,000	68,185	5	6.8	5.4
1920	1,005,000	81,894	6	8.1	6.4
1921	1,005,000	78,125	6	7.8	6.0

WINNIPEG MERCANTILE TRUST CO., WINNIPEG

Distribution of Earnings.

	1917	1918	1919	1920	1921
Earnings . . .	$ 8,193	$ *2,815	$ *3,360	$ *4,531	$ *4,301
Expenses . . .	4,214	....	....	....	....
Profits	$ 3,979	$ 2,815	$ 3,360	$ 4,531	$ 4,301
Balance forward	1,111	4,091	6,906	6,315	4,836
	$ 5,090	$ 6,906	$ 10,266	$ 10,846	$ 9,137
Distribution—					
Dividends . .	$ 50,250	$ 50,250	$ 50,250	$ 4,010	$ 4,047
Reserve. . .	1,000	....	....	2,000	....
Balance . . .	4,090	6,906	6,315	4,836	5,090
	$ 5,090	$ 6,906	$ 10,266	$ 10,846	$ 9,137

*After deducting all expenses.

THE WINNIPEG TRUSTEE COMPANY OF CANADA, WINNIPEG

Distribution of Earnings.

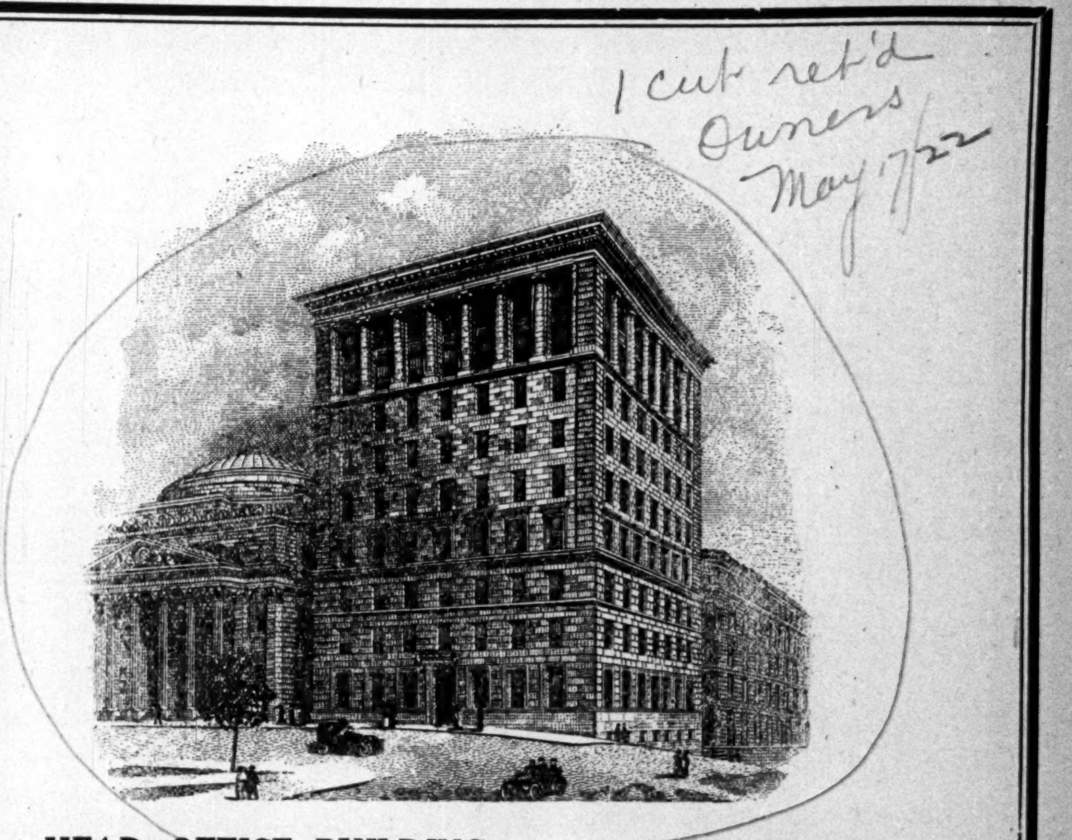
	1918	1919	1920	1921
Net profits	$ 8,525	$ 9,779	$ 10,481	$ 10,148
Balance forward	435	345	496	161
	$ 8,960	$ 10,124	$ 10,977	$ 10,309
Distribution—				
Dividends	$ 7,214	$ 7,629	$ 9,394	$ 8,652
Reserve	1,400	2,000	2,000	1,500
Balance	345	496	583	157
....	$ 8,960	$ 10,125	$ 10,977	$ 10,309

SUCCESSION DUTY STATUTES OF OTHER PROVINCES LARGELY COPIED FROM ONTARIO ACT

(Continued from page 19)

deducted from the shares upon which it is imposed by governments that according to the Supreme Court of Canada have the power so to exact it. Indeed, quite often in accordance with the reciprocity feature the province of domicile permits its own tax upon such property to be offset by the tax paid in the province of actual situation up to the full amount of its own tax, and since succession duty is imposed in much the same manner and at about the same rates in the different provinces the application of this feature makes the taxation upon each share about the same as if the property in question were situate in the province of domicile.

It is clear that a provincial legislature may tax on its passing at death all personal property locally within its area and that it may fix the rate of taxation according to the value of the estate or the total share of the beneficiary wheresoever situate. There would seem therefore to be no serious objection to the imposition of an estate tax graduated according to the aggregate dutiable value of the estate. Either such a division of present taxation of inheritances between provinces or else a thorough-going adoption of the reciprocity feature would seem to be the solution of double taxation resulting from the succession duty legislation of the different Canadian provinces.



HEAD OFFICE BUILDING - MONTREAL

Assets Under Administration - $285,653,949.70

We beg to refer you to the statement of ASSETS ADMINISTERED by the Trust Companies of Canada which appears in this issue; and particularly to the figures relating to

THE ROYAL TRUST COMPANY

Executors and Trustees

BRANCHES:

Calgary, Edmonton, Halifax, Hamilton, Ottawa, Quebec, Regina, St. John, Toronto, Vancouver, Victoria, Winnipeg and St. John's, Nfld.

When the C.A. brings in the Cost Sheet

IMPERIAL Lubricants

FOR MANUFACTURING MINING AND MILLING

CYLINDER OILS
Imperial Cylinder Oil
Imperial Valve Oil
Imperial Capitol Cylinder Oil
Imperial 20th Century Cylinder Oil
Imperial Beaver Cylinder Oil

ENGINE AND MACHINE OILS
Imperial Solar Red Oil
Imperial Atlantic Red Oil
Imperial Renown Oil
Imperial Bayonne Engine Oil
Imperial Polar Machine Oil
Imperial Ario Compressor Oil

FOR VARIOUS INDUSTRIAL USES
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Imperial Cutting Oils
Imperial Tempering Oils
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Imperial Wool Oils
Imperial Greases.

The Cost Accountant's figures indisputably prove that Imperial Lubricants are a big factor in reducing plant maintenance and upkeep costs. On one item alone—depreciation—they often save their cost several times over.

Machinery *wears less* and *lasts longer* when every journal, bearing and shafting is correctly lubricated with Imperial Lubricants. The varied line listed at the left includes a high quality oil or grease for every lubrication requirement. The use of the right grade assures smooth, steady-running plant units.

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IMPERIAL OIL LIMITED

Canadian Company—Canadian Capital—Canadian Workmen

Branches in all Cities

ASSETS OF CANADA'S CHIEF LOAN AND MORTGAGE COMPANIES

COMPANY—	—Mortgages— 1919	1920	1921	—Other Loans— 1919	1920	1921	—Securities— 1919	1920	1921	—Real Estate and Premises— 1919	1920	1921	—Cash— 1919	1920	1921	—Total Assets— 1919	1920	1921
British Mort. Loan	$ 1,676,008	$ 1,762,450	$ 1,851,197	$	$	$	$ 1,212,830	$ 1,452,880	$ 1,376,929	$ 29,743	$ 25,614	$ 26,000	$ 55,236	$ 116,566	$ 90,043	$ 2,973,817	$ 3,357,510	$ 3,344,469
B.C. Perm. Loan	1,537,040	1,447,918	1,564,497	8,870	810	.....	354,760	478,282	478,640	822,800	789,948	788,366	128,483	166,471	27,059	2,908,445	2,917,422	2,888,726
Brockville Loan	661,002	617,622	719,233	.....	42,579	18,632	65,833	62,343	78,523	1,191	6,667	4,328	2,517	24,446	.....	730,544	753,660	820,716
Can. Mort. Invest.	1,413,457	1,421,733	1,362,184	.....	.....	.....	500,718	485,728	465,531	426,274	408,912	423,455	23,272	57,975	93,357	2,386,927	2,382,504	2,358,960
Canada Landed	4,657,839	4,374,089	4,035,149	7,750	4,300	4,300	1,586,521	1,768,877	1,846,478	35,000	65,935	99,473	274,151	103,695	218,941	6,606,427	6,316,897	6,204,342
Can. Perm. Loan	26,211,306	28,064,269	32,994,034	404,699	296,623	264,070	4,232,768	2,267,344	2,255,399	960,394	1,183,468	1,342,469	1,245,070	1,253,848	2,221,635	33,054,238	33,065,554	39,077,608
Central Canada	1,196,633	1,318,565	1,341,626	2,296,131	1,150,554	930,469	5,308,025	4,378,711	4,427,648	179,432	250,000	250,000	528,584	446,347	369,446	9,508,807	7,544,178	7,319,190
Colonial Invest. & Loan	853,740	676,814	403,697	264,959	140,957	165,333	2,895,353	423,837	365,815	487,189	336,761	357,877	269,702	37,081	46,101	5,416,569	2,044,167	1,747,448
Crown Savings & Loan	595,746	622,269	640,284	.....	18,689	15,889	81,870	74,123	68,288	11,300	18,407	19,219	15,032	13,535	22,294	703,948	747,025	766,478
Credit Foncier	35,183,953	42,543,251	39,990,118	648,358	100,027	436,490	7,725,546	4,684,104	8,065,459	1,436,072	1,667,488	1,791,197	6,676,668	3,737,896	3,505,428	57,220,880	53,656,306	54,722,313
Debenture Co. of Can.	.....	.....	.....	.....	.....	.....	.....	.....	.....	664	948	2,299	501	5,714	810	51,981	88,474	132,168
Eastern Canada Savings	1,942,382	1,995,486	2,152,287	.....	.....	.....	.....	.....	.....	60,500	31,347	31,386	69,524	25,549	80,084	2,320,106	2,208,184	2,263,758
E. Lambton Farm. Loan	228,236	256,228	286,959	8,847	9,818	9,827	239,485	262,647	257,579	3,000	3,000	6,180	207	401	418	502,826	532,095	560,963
Empire Loan	847,061	806,885	822,675	.....	.....	.....	16,711	10,045	5,000	32,168	51,908	60,383	11,826	9,381	5,507	908,798	878,740	894,460
Frontenac Loan	172,063	162,371	146,996	39,858	42,025	40,590	73,097	76,343	89,923	13,087	12,638	12,757	1,731	1,211	2,463	299,838	294,791	292,730
Great-West Perm. Loan	4,120,206	3,296,579	3,476,600	130,630	105,792	102,374	966,888	1,121,861	618,496	500,782	1,359,074	1,564,856	287,108	135,865	436,987	7,423,973	6,184,420	6,242,869
Guelph & Ont. Invest.	3,649,567	2,389,900	2,515,365	62,615	55,420	41,110	.....	1,452,958	1,815,953	67,451	72,910	84,337	433,855	166,074	236,148	4,477,985	4,522,348	4,692,914
Grey & Bruce Loan	583,900	594,450	597,263	.....	83,845	88,443	139,287	155,998	98,757	33,949	27,265	27,814	1,227	1,538	1,212	843,406	863,132	813,496
Hamilton Prov. & Loan	4,244,509	4,200,925	4,249,341	5,928	8,372	7,500	249,106	292,999	285,199	93,000	110,470	110,753	171,794	187,337	112,263	4,764,339	4,800,104	4,765,056
Home Invest. & Sav.	1,523,788	1,612,338	1,647,669	.....	.....	.....	189,520	170,211	61,937	137,581	159,175	222,277	34,763	38,034	12,266	2,300,714	2,442,286	2,375,342
Huron & Erie Loan	13,339,194	15,073,875	15,744,081	24,992	6,369	2,651	4,048,142	4,292,043	3,851,444	572,152	900,000	900,000	1,328,820	1,199,168	1,055,729	18,207,750	22,647,815	22,712,516
Invest. Corporation	2,629,475	2,648,560	2,413,575	.....	.....	.....	216,192	447,885	763,620	667,730	667,615	684,760	150,220	115,190	28,265	4,152,505	4,299,985	4,281,355
Industrial Mortgage	.....	1,980,807	2,040,715	2,548,581	33,142	15,206	.....	644,628	568,401	22,193	21,193	21,193	28,427	88,437	148,183	2,599,202	2,768,209	2,793,699
Investors' Mort. Sec.	10,385,495	10,616,000	10,701,140	.....	.....	.....	.....	.....	.....	.....	.....	.....	179,220	179,625	217,480	10,893,040	11,123,985	11,246,560
Lambton Loan & Invest.	3,243,492	3,473,283	3,148,705	.....	.....	88,102	.....	.....	331,122	16,500	20,500	28,819	91,632	93,905	7,052	3,351,625	3,587,689	3,603,802
Landed Bank & Loan	2,811,518	2,967,025	3,064,437	103,896	139,677	89,599	459,523	477,780	325,354	65,000	65,000	75,000	210,725	85,151	48,707	3,650,662	3,734,635	3,603,098
London Loan & Savings	2,066,936	1,936,245	1,927,140	.....	.....	62,657	649,084	736,142	673,331	63,000	63,000	85,008	273,890	195,476	133,908	3,052,929	2,930,936	2,882,045
Midland Loan & Sav.	900,272	931,877	1,022,823	13,819	7,346	3,063	578,142	578,375	592,658	5,000	5,000	5,085	84,781	154,002	84,905	1,582,088	1,676,687	1,708,535
Montreal Loan & Mort.	1,612,120	1,616,808	1,619,685	57,163	79,334	79,583	104,648	50,458	50,458	.....	8,129	.....	955	20,168	8,154	1,774,888	1,774,899	1,757,881
Mort. Corp. of N.S.	956,391	952,869	976,017	.....	.....	507	7,224	.....	.....	7,177	6,021	4,107	1,185	3,387	-3,209	1,330,385	1,319,535	1,333,849
Northern Mort. Co.	2,994,989	3,171,869	3,290,388	.....	.....	.....	.....	.....	.....	151,747	143,152	187,721	64,893	11,616	1,194	3,213,467	3,328,239	3,479,763
N.S. Savings & Bldg.	.....	.....	1,854,808	1,884,430	1,882,895	.....	.....	15,037	49,414	8,700	8,000	8,000	22,057	4,001	6,299	1,915,595	1,910,211	1,919,196
Northern Can. Mort.	.....	.....	.....	518,082	545,473	556,888	9,596	28,311	37,354	203,248	163,560	151,319	5,036	6,475	11,429	735,963	744,531	758,957
Ontario Loan & Deben.	4,759,917	4,619,201	4,430,242	49,629	57,126	44,405	2,319,634	2,664,999	2,735,552	149,227	111,342	103,156	300,388	185,828	248,138	7,578,797	7,717,498	7,561,494
Okanagon Loan	12,850	.....	30,560	517,184	384,702	285,008	16,793	81,743	85,170	35,369	37,850	57,791	15,851	6,527	16,138	613,905	640,675	601,112
Owen Sound Loan	152,171	168,493	160,107	.....	10,163	8,551	44,375	40,831	40,592	21,450	17,299	41,580	1,183	1,226	1,032	237,672	239,352	229,099
People's Loan & Sav.	800,171	799,662	825,790	.....	10,944	13,426	65,650	99,219	85,236	38,700	62,385	74,167	64,190	62,254	40,682	1,038,165	1,094,702	1,100,310
Real Estate Loan	1,095,594	1,131,102	1,072,660	6,996	3,511	2,377	150,816	193,116	174,328	105,213	44,678	37,803	60,801	29,254	28,126	1,419,423	1,401,673	1,315,295
Royal Loan & Savings	1,631,297	1,638,236	1,670,208	45,387	87,998	57,429	776,937	714,462	694,685	50,000	53,207	50,808	64,932	123,571	76,069	2,568,555	2,617,476	2,549,200
Southern Loan & Sav.	2,351,949	2,231,493	2,285,693	6,921	11,181	18,021	214,843	261,869	250,075	20,000	20,000	27,000	4,846	47,807	26,137	2,598,560	2,561,169	2,606,928
Security Loan	.....	1,006,221	1,059,210	995,493	9,810	8,821	155,461	154,806	73,797	21,056	21,100	21,100	23,944	42,469	42,240	1,195,955	1,234,734	1,205,425
Second Investor's Mort.	1,972,830	2,102,320	2,180,130	.....	.....	.....	.....	.....	.....	.....	.....	.....	84,110	61,515	82,470	2,105,110	2,209,900	2,326,140
Sask. Loan & Invest.	353,145	372,011	402,903	.....	.....	.....	10,100	10,100	.....	25,845	7,835	10,676	.....	.....	583	400,609	401,814	422,841
Scottish Prov. Invest.	12,792	121,080	194,419	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,446	2,295	1,885	15,239	125,984	202,843
Security Mort. Corp.	.....	.....	.....	557,658	556,558	527,510	.....	.....	.....	74,551	128,813	141,971	4,781	2,582	2,431	636,991	687,954	671,913
Toronto Mortgage	1,974,270	1,777,241	1,693,921	171,456	144,608	130,137	965,835	1,083,939	1,165,553	45,000	45,000	45,000	92,592	117,712	133,319	3,249,154	3,168,502	3,167,931
Toronto Sav. & Loan	*4,039,672	266,964	256,208	.....	42,044	141,525	.....	2,501,886	2,402,069	.....	1,177,056	1,217,631	130,814	157,726	185,729	4,171,720	4,165,116	4,203,678
Trust & Loan	13,376,389	13,693,825	14,573,004	.....	.....	.....	1,498,780	1,501,920	39,860	676,294	529,991	467,780	1,175,450	373,205	161,340	19,514,200	20,814,050	20,931,210
Victoria Loan & Sav.	2,920,489	2,061,003	2,172,613	.....	47,042	39,385	46,761	1,007,337	1,022,631	6,300	46,669	80,683	131,567	130,795	129,706	3,105,119	3,292,848	3,444,921
Waterloo County Loan	735,172	1,040,532	1,132,166	26,126	58,059	50,981	1,403,586	1,453,454	1,337,690	111,767	113,483	109,127	196,534	142,387	112,769	2,473,187	2,789,917	2,742,735
Total	$168,427,026	$176,662,544	$182,740,522	$11,406,458	$6,177,792	$4,350,859	$39,580,439	$38,659,631	$39,991,587	$ 8,494,796	$11,069,813	$11,862,711	$15,027,521	$10,172,727	$10,526,287	$254,787,028	$252,610,517	$259,648,337
Canadian Finance	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	13,259	.....	.....	174	.....	.....	52,468	.....
First Nat. Mortgage	41,042	.....	.....	34,284	.....	.....	.....	.....	.....	100,886	.....	.....	2,825	.....	.....	104,094	.....	.....
International Loan	376,487	.....	480,569	.....	.....	.....	.....	.....	.....	.....	.....	1,545	1,136	.....	7,959	403,402	.....	505,916
Pt. Art. & Ft. Wm. Mtg.	698,151	.....	533,076	3,045	.....	4,382	41,218	.....	75,377	13,490	.....	99,060	2,190	.....	5,294	801,416	.....	722,068
Dom. Sav. & Invest.	2,134,495	989,306	.....	.....	361,346	.....	.....	428,852	.....	.....	302,337	.....	64,037	23,159	.....	2,196,533	2,119,607	.....

*Net value of investments.

LIABILITIES OF LOAN COMPANIES

COMPANY—	TO THE PUBLIC —Savings Deposits— 1919	1920	1921	—Debentures— 1919	1920	1921	—Total— 1919	1920	1921	TO SHAREHOLDERS —Capital— 1919	1920	1921	—Reserve— 1919	1920	1921	—Other— 1919	1920	1921
Brit. Mort. Loan	$ 839,372	$ 1,057,193	$ 1,046,831	$ 1,164,194	$ 1,297,516	$ 1,294,255	$ 2,003,566	$ 2,354,709	$ 2,341,086	$ 500,000	$ 500,000	$ 500,000	$ 430,000	$ 460,000	$ 470,000	$ 40,251	$ 42,801	$ 33,382
Brockville Loan	283,408	289,395	302,063	.....	.....	.....	288,023	297,639	305,985	303,043	305,443	305,593	125,900	130,000	140,000	14,477	20,578	69,139
B. C. Perm. Loan	36,732	129,816	160,081	1,106,532	976,644	861,432	1,149,672	1,119,214	1,055,204	923,290	926,721	940,763	600,000	725,000	775,000	235,482	146,486	117,757
Can. Mort. Invest.	.....	.....	.....	560,674	521,414	492,481	582,931	551,741	511,272	1,235,954	1,239,586	1,242,022	450,000	500,000	500,000	118,041	91,176	105,665
Canada Limited	.....	.....	.....	3,931,755	3,578,895	3,386,191	3,990,569	3,623,620	3,429,356	1,205,000	1,205,000	1,205,000	1,355,000	1,355,000	1,450,000	55,857	133,277	119,986
Canada Landed	6,206,962	6,129,483	6,729,651	14,794,552	14,623,835	17,859,340	21,003,744	20,760,783	24,596,471	6,000,000	6,000,000	7,000,000	5,750,000	6,000,000	7,000,000	300,493	304,770	481,136
Canada Permanent	1,824,318	2,194,835	1,653,704	3,316,535	1,452,122	1,993,403	5,840,854	3,896,958	3,647,107	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	167,952	147,220	172,082
Central Canada	.....	.....	.....	423,352	.....	.....	2,461,347	23,854	12,391	2,458,421	1,250,926	1,251,382	400,000	400,000	400,000	96,799	369,386	83,675
Col. Invest. & Loan	133,336	169,161	176,232	222,836	224,531	232,717	356,173	393,692	408,949	241,050	241,050	241,050	92,000	97,500	101,000	14,725	14,782	15,479
Crown Sav. & Loan	.....	.....	.....	37,886,877	37,788,269	37,682,512	37,886,877	37,788,269	37,682,512	9,647,667	9,647,667	9,647,667	4,342,601	2,200,883	3,046,525	5,343,734	3,019,485	3,223,844
Credit Foncier	.....	.....	.....	.....	.....	.....	.....	.....	.....	48,646	77,243	114,986	1,500	2,500	4,000	1,834	8,731	13,182
Debenture Co. of Can.	392,158	241,937	358,720	930,336	913,933	848,295	1,322,494	1,155,870	1,207,015	750,000	750,000	750,000	243,000	292,000	301,000	4,612	10,313	5,902
Eastern Canada Savings	.....	.....	.....	129,152	91,737	83,484	194,495	144,559	154,899	607,226	620,761	631,481	80,000	90,000	90,000	27,076	23,409	18,079
Empire Loan	108,404	132,121	134,169	87,379	97,168	104,419	208,278	230,812	256,553	221,650	225,000	227,050	66,236	69,536	70,536	6,661	6,746	6,824
E. Lambton Farm Loan	47,600	42,536	40,192	.....	.....	.....	47,600	42,536	40,192	200,000	200,000	200,000	30,000	30,000	30,000	22,248	22,254	22,538
Frontenac Loan	933,617	979,624	1,012,473	1,560,733	1,538,185	1,635,870	3,873,916	2,604,767	2,654,666	2,413,018	2,414,663	2,415,863	750,000	800,000	800,000	323,911	364,989	372,339
Great-West Perm. Loan	597,476	725,545	902,044	1,980,092	1,874,096	1,853,244	2,634,417	2,613,654	2,755,920	923,233	964,840	965,080	839,435	869,435	869,435	80,899	74,418	102,478
Guelph & Ont. Invest.	131,624	153,899	180,369	120,928	113,648	98,279	313,242	329,102	279,720	444,350	444,380	444,380	72,000	74,000	74,000	13,814	15,651	15,395
Grey & Brue Loan	852,635	944,665	898,039	1,327,179	1,258,312	1,229,915	2,229,768	2,230,517	2,151,772	1,200,000	1,200,000	1,200,000	1,250,000	1,300,000	1,300,000	84,570	69,587	113,283
Ham. Prov. & Loan	470,322	532,273	534,372	175,343	150,661	89,332	663,522	789,832	740,571	992,352	992,482	992,630	500,000	500,000	500,000	144,839	159,970	142,140
Home Invest. & Sav.	4,054,841	5,543,487	5,900,163	10,147,649	10,684,286	10,213,258	14,344,146	16,387,998	16,271,255	5,000,000	5,000,000	5,000,000	1,000,000	1,500,000	1,300,000	91,374	109,817	142,266
Huron & Erie Loan	.....	.....	.....	3,781,235	3,900,365	3,861,490	4,014,240	4,078,520	4,044,730	5,000,000	5,000,000	5,000,000	1,675,000	1,825,000	1,825,000	203,805	220,460	376,825
Investors' Mort. Sec.	841,142	901,979	828,370	697,854	779,392	864,530	1,538,997	1,681,371	1,692,900	634,100	635,000	635,000	400,000	420,000	440,000	26,104	31,837	25,798
Indus. Mortgage	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,899,175	3,899,175	3,899,175	150,000	175,000	200,000	103,330	222,810	182,180
Invest. Corporation	1,170,423	1,237,729	1,134,746	537,535	681,199	690,153	1,707,958	1,918,928	1,908,373	789,750	789,750	789,750	800,000	825,000	850,000	53,917	54,010	55,678
Lambton Loan & Inv.	949,882	1,015,277	992,909	712,425	693,875	540,495	1,683,333	1,728,031	1,555,043	1,000,000	1,000,000	1,000,000	925,000	965,000	1,000,000	42,330	41,603	48,065
Landed Bank & Loan	806,260	948,762	919,140	963,458	678,611	648,022	1,781,269	1,637,374	1,577,630	888,321	891,383	891,444	380,000	400,000	410,000	3,338	2,177	2,971
London Loan & Savings	38,086	34,678	71,354	270,048	250,071	235,091	311,714	288,316	306,345	507,654	513,541	521,192	125,000	134,000	144,000	27,770	26,418	12,303
Mortgage Corp. of N. S.	319,856	359,805	322,467	574,160	611,293	664,552	894,017	971,099	987,019	360,000	360,000	360,000	285,000	300,000	320,000	43,071	45,588	41,515
Midland Loan & Savings	159,191	141,557	117,624	149,418	149,418	146,969	317,464	300,325	273,990	600,000	600,000	600,000	800,000	800,000	800,000	57,424	74,573	83,890
Montreal Loan & Mort	.....	.....	.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,914,692	1,925,599	1,957,903	.....	.....	.....	98,319	402,639	521,858
Northern Mort. Co.	136,928	117,425	160,843	584,937	565,211	560,113	721,865	682,636	720,956	986,456	1,007,410	977,123	184,058	194,058	204,000	23,215	26,105	17,116
N. S. Savings & Bldg.	.....	.....	.....	.....	.....	.....	.....	.....	.....	545,476	552,284	560,925	50,000	50,000	50,000	140,486	142,246	148,031
Northern Can. Mortgage	54,292	62,738	60,826	27,337	26,185	25,585	82,207	97,475	87,171	128,502	128,684	128,742	.....	.....	.....	17,011	13,192	13,185
Owen Sound Loan	10,253	17,776	18,147	34,537	18,835	18,734	125,309	138,819	93,493	390,580	390,580	390,580	86,000	95,000	101,000	12,016	16,276	16,039
Okanagan Loan	900,872	1,037,785	923,685	2,705,225	2,604,309	2,447,814	3,606,798	3,642,094	3,371,500	1,750,000	1,750,000	1,750,000	2,150,000	2,500,000	2,350,000	71,998	75,403	89,994
Ont. Loan & Deben.	333,457	414,356	415,030	125,124	110,888	109,750	473,576	526,730	524,925	500,000	489,388	494,101	60,000	65,000	70,000	4,589	13,584	11,282
People's Loan & Sav.	.....	.....	.....	637,479	609,106	506,566	640,032	618,516	511,873	500,000	500,000	500,000	260,000	260,000	280,000	19,390	23,156	23,422
Real Estate Loan	578,556	745,047	746,319	910,836	772,029	689,059	1,489,392	1,525,753	1,439,496	600,000	600,000	600,000	450,000	470,000	485,000	29,163	21,723	24,704
Royal Loan & Savings	572,955	539,985	552,455	798,186	782,935	801,826	1,377,778	1,325,625	1,356,887	900,000	900,000	900,000	270,000	285,000	300,000	50,781	50,543	50,041
Southern Loan & Savings	345,714	421,236	399,328	101,264	84,465	61,688	481,978	505,701	461,012	532,300	532,300	532,300	160,000	175,000	185,000	21,677	21,733	27,113
Security Loan	.....	.....	.....	.....	.....	.....	23,145	17,630	64,425	1,901,280	2,000,000	2,000,000	125,000	125,000	175,000	55,690	67,265	86,715
Second Investors' Mort.	.....	.....	.....	.....	.....	.....	22,075	15,707	18,372	333,210	339,189	341,812	40,000	40,000	40,000	5,323	6,917	22,656
Sask. Loan & Invest.	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,939	83,791	109,446	300	1,000	2,700	5,999	22,015	38,820
Scottish Prov. Invest.	.....	.....	.....	.....	.....	.....	.....	.....	.....	500,000	500,000	500,000	25,000	25,000	25,000	111,991	162,954	146,915
Security mort. Corpor.	.....	.....	.....	12,767,565	13,923,880	13,122,260	12,767,565	13,923,880	13,122,260	3,000,000	3,015,640	6,750,000	3,001,570	3,000,000	75,065	745,010	874,525	983,880
Trust & Loan	100,168	92,284	87,309	1,687,805	1,571,598	1,548,478	1,793,416	1,690,023	1,663,154	724,550	724,550	724,550	670,000	700,000	725,000	61,187	53,928	55,227
Toronto Mortgage	1,089,865	641,992	650,597	871,533	1,308,621	1,324,059	1,963,726	1,956,298	1,978,004	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000	1,100,000	107,993	108,813	125,674
Toronto Sav. & Loan	961,569	1,094,734	1,020,496	1,159,476	1,169,000	1,269,727	2,164,239	2,266,116	2,292,630	600,000	640,000	703,566	320,000	362,000	422,000	20,879	24,731	26,724
Victoria Loan & Sav.	1,188,821	1,127,700	1,288,210	545,389	643,225	611,489	1,734,210	2,000,121	1,899,699	604,331	638,764	674,295	105,000	120,000	135,000	29,645	31,030	33,740
Waterloo County Loan																		
Total	$27,465,095	$30,218,818	$30,738,858	111,509,624	110,056,763	111,696,877	141,111,937	141,877,212	142,544,683	68,164,216	67,034,120	72,316,851	$34,723,700	$34,556,912	$33,685,261	$ 9,383,100	$ 8,034,045	$ 8,668,937
Canadian Finance	.....	.....	.....	.....	.....	.....	.....	117	.....	.....	39,240	.....	.....	9,000	.....	.....	3,910	.....
First. Nat. Mortgage	.....	.....	.....	.....	.....	.....	.....	.....	.....	97,763	.....	.....	.....	.....	.....	6,331	.....	.....
International Loan	.....	.....	.....	.....	.....	.....	44,444	.....	56,279	333,168	.....	442,165	.....	.....	.....	25,790	.....	7,471
Pt. Art. & Ft. Wm. Mtg.	.....	.....	.....	69,593	.....	69,593	79,228	.....	98,197	635,800	.....	598,288	54,777	.....	5,042	31,610	.....	20,540
Dom. Sav. & Invest.	665,751	567,197	.....	292,727	302,583	.....	858,479	888,172	.....	934,300	934,300	.....	275,000	275,000	.....	28,753	22,134	.....

INVESTMENTS OF THE TRUST COMPANIES

	Capital Account 1919	1920	1921	Guaranteed Accounts 1919	1920	1921	Estates, Trusts 1919	1920	1921	Total 1919	1920	1921
Brantford Trust	$ 330,202	$ 331,436	$ 333,933	$.........	$.........	$.........	$ 637,655	$ 927,739	$ 832,098	$ 967,858	$ 1,259,174	$ 1,166,081
British Empire Trust	4,590,035	5,147,720	4,347,265	....	....	....	2,515,925	1,232,860	2,768,380	7,105,960	6,380,580	7,115,655
British Canadian Trust	52,029	53,958	56,300	4,040	1,900	1,900	566,000	482,040	405,915	622,132	537,899	464,116
Canadian Guaranty Trust	439,517	440,906	470,960	285,988	340,159	351,625	1,912,806	2,115,889	2,441,214	2,638,312	2,896,955	3,263,800
Canada Trust	1,685,752	1,750,633	1,788,370	4,860,636	4,223,152	3,478,554	4,234,387	5,064,237	6,613,613	10,780,775	11,038,023	11,880,538
Capital Trust	545,073	610,879	617,302	605,302	779,351	985,181	1,135,746	2,719,350	3,211,526	2,286,122	4,109,581	4,814,010
Crown Trust	777,525	943,560	805,435	....	....	....	3,878,200	4,535,191	4,908,858	4,658,725	5,478,751	5,714,294
Canada Permanent Trust	1,135,497	1,175,953	1,153,519	42,012	57,208	71,040	2,191,522	1,914,690	2,786,612	3,368,033	3,147,852	4,011,172
Chartered Trust	542,990	578,728	583,561	15,204	42,330	590,525	4,365,904	4,611,354	6,660,714	4,924,099	5,232,412	7,834,800
Eastern Trust	1,455,672	1,543,019	1,499,436	161,582	475,269	660,934	21,653,965	24,298,424	27,319,146	23,271,221	26,316,713	30,079,517
Guelph Trust	316,899	328,294	341,899	....	75,954	171,829	....	109,712	214,784	316,899	513,961	728,513
Imperial Trusts	273,174	299,735	317,691	1,364,728	975,716	925,339	3,080,820	3,963,551	3,685,982	4,718,724	5,239,003	4,929,013
Imperial Canadian Trusts	1,536,291	1,601,417	1,981,816	....	....	....	5,730,505	6,626,146	7,246,120	7,266,797	8,227,563	9,227,937
London & Western	724,666	742,005	734,378	....	42,545	10,678	10,387,847	11,064,473	12,588,478	11,112,533	11,849,024	13,333,535
Mercantile Trust	829,361	801,179	704,134	451,167	413,272	271,318	5,634,577	4,704,887	5,141,716	6,915,107	5,919,339	6,117,169
National Trust	3,300,670	4,277,214	4,298,443	5,975,171	5,387,200	5,113,989	79,665,410	84,726,290	93,400,117	88,941,252	94,390,705	102,812,549
Northern Trusts	2,161,203	2,202,785	2,195,819	1,370,134	1,327,755	1,310,128	11,072,121	15,979,708	17,067,101	14,603,458	19,510,250	20,573,048
Nova Scotia Trust	282,587	293,559	308,186	....	....	....	1,010,708	3,198,125	3,627,306	1,293,295	3,491,684	3,935,492
Prudential Trust	993,853	869,091	848,477	1,574,675	1,044,050	596,287	2,277,463	3,597,021	3,731,948	4,845,992	5,510,163	5,176,713
Premier Trust	139,536	141,362	152,691	33,026	42,540	52,690	344,604	486,107	652,401	517,167	627,469	857,782
Royal Trust	5,738,884	6,199,333	7,027,863	2,467,438	1,873,268	1,932,037	226,032,801	255,964,064	276,694,049	234,239,009	264,036,667	285,653,949
Standard Trusts	1,626,645	1,638,468	1,643,918	2,524,471	2,553,197	2,607,987	12,045,214	12,244,615	13,134,100	16,196,331	16,438,283	17,386,008
Sterling Trusts	514,859	530,881	547,312	587,307	588,653	532,405	7,070,068	3,066,290	2,474,169	8,172,234	4,185,824	3,553,886
Saskatchewan General Trusts	155,054	214,224	258,647	....	....	....	1,118,639	1,502,575	2,015,274	1,273,694	1,716,799	2,273,921
Saskatchewan Mortgage & Trusts	957,778	1,024,751	1,016,449	67,146	59,927	72,773	584,935	639,503	951,767	1,609,861	1,724,182	2,040,989
Toronto General Trusts	3,882,637	4,389,768	4,915,358	9,476,559	9,124,317	7,741,339	87,763,834	100,248,237	107,596,746	101,123,031	113,762,324	120,253,443
Trusts & Guarantee	2,722,047	1,735,805	1,869,731	5,363,413	5,422,655	5,551,134	14,046,958	16,383,751	17,734,258	22,132,419	23,542,212	25,155,123
Winnipeg Trustee	343,500	381,660	349,873	556,768	570,910	644,475	1,962,674	1,895,263	2,080,034	2,872,943	2,847,734	3,074,382
Union Trust	1,596,162	1,644,864	1,647,210	5,278,876	5,348,253	5,262,703	6,718,996	6,432,505	6,430,324	13,594,035	13,425,623	13,340,237
Western Trust	1,317,296	1,426,963	1,377,026	993,527	992,974	896,769	203,610	220,160	197,748	2,514,435	2,640,098	2,471,544
Winnipeg Mercantile Trust	80,790	86,120	86,933	4,441	631	930	154,463	145,138	135,755	239,695	231,887	223,619
Consolidated Trusts	281,797	291,660	305,220	....	....	16,512	....	....	....	281,797	291,660	321,733
Total	$41,329,981	$43,697,930	$44,585,155	$44,073,611	$41,765,186	$39,851,081	$519,998,357	$581,099,895	$635,348,253	$605,401,945	$666,520,394	$719,784,518
Yorkshire & Can. Trust	1,673,920	1,686,575	....	....	....	....	....	....	....	1,673,920	1,686,575	....
Sterling Trust of B. C.	....	249,954	247,265	....	....	7,034	....	....	....	....	249,954	254,299

SOME THINGS TO LEARN REGARDING TRADE IN INDIES

Points Emphasized to Manufacturers on Recent Trip

ERRORS GIVE TROUBLE

More Difficulty With Regard to Packing and Shipping Than in Respect to Quality of Goods

(Royal Bank Letter for May.)

Subject to certain qualifications, the people of the South are satisfied with the state of their trade with Canada, and with the quality of the Canadian goods they buy. On the export side, they have the impression that Canada is not buying from them as much as they buy from Canada. This is difficult to understand, since, except in the case of Trinidad, our imports are in almost every case larger than our exports. The statistics for the eleven months ending February, show that our imports from the British West Indies and British Guiana amounted to $13,500,000, while our exports were valued at $10,800,000. Even in the case of the main exception, Trinidad, the excess of Canadian exports, during the eleven months in question, amounted to less than $2,500,000, as compared with over $4,000,000 in the same period of the preceding year. Our purchases from Trinidad have increased substantially. There can be no doubt that Canada might buy direct from the British West Indies more of their products than she now does. But, as members of the Canadian party pointed out during their trip, proximity of the big New York market, with its grading or blending of brokerage facilities, makes some of our buyers, especially the smaller ones, slow to establish fresh connections. In spite of that, we are gradually breaking away from New York, and will continue to do so, as our population increases and our importers are enabled to handle foreign products on a larger scale. It was also pointed out by the Canadian party that the personal representation which was thought so necessary for the sale of Canadian goods in the South, was just as necessary if more British West Indian products were to be sold in Canada.

The troubles of British West Indian importers of Canadian goods apparently arise, not from the quality of the goods themselves, but from the exporters' errors in documentation and packing. Many Canadian firms have long ago solved the problems involved, and are sending out their goods to the complete satisfaction of their customers. But from what the party heard in the West Indies, some firms have still to learn:

1. That it is absolutely necessary for bills of lading and certificates of origin to be dispatched on the steamer carrying the goods, or by a mail which is certain to arrive before the goods. Even when it is possible to obtain a bank guarantee that bills of lading will be produced, the late arrival of certificates of origin causes importers endless trouble and annoyance.

2. That importing firms object to paying sight drafts which arrive before the goods they refer to.

3. That invoices (which might advantageously be made out in triplicate) should show separately the price of the goods, and any charges for freight and packages. If only a total is shown, the duty may be assessed on that total amount. This would mean that packages were assessed twice, since they are usually dutiable under the tariff. Details as to their value are most necessary. When the cost of packages has been included in the price for the goods, the cost of the packages might be deducted from the commercial invoice, and shown separately, in order to save the customer from paying duty on the total invoice value.

4. That prices should be quoted f.o.b. steamer, tidewater, or c.i.f. West Indian port.

5. That packing should be strong enough to stand the rough handling involved in any overseas shipment, especially one to the West Indies, where goods are usually transferred to shore by lighter.

6. That packing lists should be made out in duplicate, the contents of each package being shown opposite the number.

That contents or maker's name should not be indicated on the outside of cases, since this might encourage pilfering.

8. That, in quoting weights, it is advisable to show the three different weights, i.e., "Net weight," weight of the merchandise without container, as presented for sale to the public; "Legal weight," weight of the merchandise plus that of the container; "Gross weight," total weight of merchandise, container and packing, as delivered to the steamer.

Most things are favorable for the extension of our trade in the South. The good feeling towards Canada was evidenced by the extraordinary kindness shown to the members of the Canadian party. Transportation facilities—already good—are being improved. The Canadian banks, established in the British West Indies and British Guiana, stand ready to assist trade between the north and south in any possible way; by the provision of credit information; by bringing in touch with each other Canadian and British West Indian buyers and sellers; by supplying information on markets and conditions, and, in general, by giving advice or assistance when requested.

HAMILTON'S BUILDING

As a result of existing abnormal industrial conditions in and about the city of Hamilton there has been very little industrial or commercial building so far this spring, but there has been considerable activity in house building, more especially moderate priced homes. Building permits for the month of April amounted to $731,300, as against $430,200 for the same month last year.

That the housing situation promises to improve steadily is indicated by the fact that $396,500 was for dwellings.

IMPORT U.S. ORE WHILE CANADIAN MINES ARE IDLE

(Continued from page 3)

total for supplies, freight and labor of $5,000,000, an average of $1,000,000 per year. If the Magpie Mine were in operation this year see what relief it would have afforded to the unemployment prevailing not to take into account the benefit of the circulation of the $1,000,000.

Request for Government Aid

The Federal government at Ottawa and the Provincial government at Toronto are going to be asked to jointly bear the expense of the necessary temporary assistance asked for, this assistance to extend over a period of 15 years. Such assistance would have the almost immediate effect of developing ore properties in various parts of the country and especially in the Province of Ontario which possesses probably 80 per cent. of the known low grade ore deposits. Those seeking the assistance show their good faith and are content that such assistance should be payable only after the ore has been actually treated and ready for the market. Further that private capital takes all the risk of success or failure, establishes the industry and produces its product before calling upon the governments for any payments.

Why should the request for assistance be granted?

1. Every dollar is spent for labor. There is no natural increase as on a farm. Every dollar is paid out to Canadian workmen.

2. The rapid development of natural resources is the only means of meeting the financial obligations of the war.

3. The nationalized railways must be made to pay their way. Mine products are the largest single traffic and iron ore produces a larger volume of this traffic than any other mine product.

4. Established raw material supply of any commodity is a vital national necessity.

5. Abundant deposits of low grade ores are accessible to existing railway lines.

6. The granting of assistance would involve a small annual outlay but the large returns and impetus to industrial activity would be immeasurable.

7. As no iron ore mines are now in operation the payments to mine owners during the first two years would be very small. The amount payable thereafter, depending as it does on iron ore actually mined and beneficiated will simply be a measure of the growth of the industry, the larger the growth and expansion the larger will be the benefit to the country generally.

8. The retention in Canada of large amounts of money, now being sent out of the country for the purchase of foreign ores, and on the other hand the employment and investment of foreign capital to help the mines.

9. Expansion of the agricultural industry on lands tributary to the mining and smelting centres, larger markets for the farmer and increased consumption of manufactured articles.

10. Last, but not least, the production of Canadian iron ores will complete the national equipment for the production of iron and steel as wholly a Canadian product, with the exception of the coal used, place Canada in a position of greater independence and assure the blast furnace and steel works a home product which, at any future time of stress, will enable Canada to carry on, within the confines of her own country, the complete production of iron and steel, independent of the help of a foreign though friendly neighbor, who at any time may put an embargo on the export of high grade ores which would render our steel plants helpless and useless, causing shut downs and unemployment, which would be nothing short of a national disaster.

Objections to assistance or any special concessions will be made by those who will advance the argument that assistance means increased costs to the consumer of steel products. Such, however, is not the case for those seeking the aid do not seek any protection in the form of a tariff but are willing to invest their capital and develop the industry, and the blast furnace operator may still purchase in the cheapest market, so that the Canadian product mined and treated under the proposed policy must compete and can be sold where it is as good or better and comparatively as cheap as can be obtained elsewhere.

Expenditure for Farm Products

During the five year period mentioned before, we find there was spent in the Soo for farm products for the Magpie Mine, the following amounts:

Vegetables and fruits	$38,000
Meats	152,000
Flour and feed	54,000
Butter and eggs	48,000
Total	$292,000

If the iron ore mines in the Michipicoten district were opened up on a large scale the amount of such purchases would be trebled.

"Help wanted" placards were reported as being displayed by Michigan mills in the Calumet district for the first time in over a year. The demand for more workers is general in the district, the steel mills leading.

AMERICANS TO AID EUROPE'S FINANCING

Morgan on German Loan Problem and Strong on Banks of Issue

From Our Own Correspondent.

WASHINGTON.—President Harding let it become known that the government has no objection to J. P. Morgan's acceptance of membership on the committee appointed by the Inter-Allied Reparations Commission to examine the possibilities of a German international loan. It was explained however, that Mr. Morgan had not consulted the President or Secretary Hughes.

It was also authoritatively stated that the President would be pleased personally to have Benjamin Strong, Governor of the Federal Reserve Bank of the United States, take part in the proposed European conference of central banks of issue. An invitation on the part of the Bank of England is on its way it is understood.

While Mr. Strong would not have any authority to speak for the United States Government, he would be able to furnish European bankers with authoritative information as to the banking conditions in this country and the President sees no reason why a representative of the United States Federal Reserve banks, should not take part in such a conference. He thinks there are good reasons to believe it would be helpful to both Europe and this country. The Government expects, however, to be consulted before definite steps are taken by Mr. Morgan or other private Americans financiers towards the floating of a German loan in this country.

Frankly, there is much skepticism among high Government officials over the probability of a German loan being placed in this country. Currency inflation has gone to such extremes in Germany, officials asserted, that a considerable period must elapse and heroic measures be adopted to remove the chaotic elements from the German financial system. Until these conditions are remedied, or, at least until there is real prospect of a change for the better, many Government officials here believe that it would be sheer recklessness upon the part of American financiers to shift large amounts of capital to Germany.

If American private bankers would contemplate a loan to Germany, or to Russia, it would necessarily come within the scope of the recent announcement of Secretary Hughes that the State department would wish to be consulted by American bankers before foreign loans are floated in the United States.

STOCKHOLDERS SELL COMPANY'S PRODUCTS

Copper Concern Makes Proposal to Shareholders to Advertise New Goods

A novel proposal has been made to the shareholders of a large American corporation, advocating the co-operation of the stockholders in advertising and creating a demand for a new product, now being manufactured by the corporation. This proposal has been made by John J. Ryan, chairman of the board of directors of the Anaconda Copper Mining Company, to 40,000 stockholders. This company was very hard hit by the post-war slump and is now bringing out a new copper shingle, something that interests practically every shareholder, and which it is expected will do much to put the company back on a dividend paying basis.

In giving the details of the proposal, Mr. Ryan pointed out some of the recent developments in the company, and the field there was for their new product. He said in part:

"As we are now a family of about 40,000 members, it occurs to me that we can be of great assistance to one another by helping the corporation in sarrying out plans that, if well directed and followed up, will result in increased business, increased profits, and, as a result, earlier and larger dividend payments.

"One of the outlets in which we have great confidence is the increased use of copper for roofing. Our own engineers have devised and we are now manufacturing a wonderfully simple and efficient copper shingle that can be placed on the market at a cost so little in excess of the more common roofing materials, that it seems as though all we need to do to make a wide market for it is to succeed in bringing it to the attention of those who require roofing material. We know of nothing that should bring such efficient help as can be obtained immediately if the interest of our 40,000 shareholders is aroused and they can be induced to believe in copper roofing, talk copper roofing, and to convince their neighbors and friends that it is the best possible thing for the purpose and costs little, if any, more than other less durable and less desirable materials.

"Whether a shareholder of five shares or 55,000 your interest is perhaps proportionate, and to you substantial, and we are just as anxious to make a return to a shareholder owning five shares as to one owning 5,000.

"Individual effort along these lines might not count for much, but if 40,000 of us go to work at it we are bound to get results that will show in the condition of the metal market and in the earnings of the company."

CANADIAN FORD

According to a report issued by the Ford Motor Co., the output of the Canadian plant for the first quarter of the year exceeded last year's first quarter by more than 1,000 cars in February and 1,300 in March. It is understood that the company is launching the greatest sales campaign in its history. Selling forces have been completely reorganized, and a house-to-house canvass will be made. There are 685 dealers in the nine Canadian branches.

NEW ISSUE

$6,000,000

(Closed Issue)

$4,500,000 of this issue was offered last week in the United States by Kissel, Kinnicutt & Co., Blair & Co., Inc., of New York, and the Union Trust Company of Pittsburgh, and was over-subscribed.

Canada Steamship Lines Limited

20-Year First Mortgage Collateral Sinking Fund 7% Gold Bonds

Dated May 1, 1922 **Due May 1, 1942**

Interest payable May 1 and November 1. Principal and interest payable at the option of the holder in New York, Montreal or Toronto in gold. Coupon bonds in denominations of $1,000, $500 and $100. Registerable as to principal. Callable for the first three years at 107½ and interest and thereafter at 105 and interest.

Commencing May 1, 1923, the Company will provide an annual sinking fund of 2% of the maximum amount of these bonds issued payable 1% semi-annually, to be applied to the purchase of bonds in the open market up to the call price and if not purchaseable at that price, bonds must be called by lot at the call price. As bonds are retired an equivalent percentage of the collateral may be withdrawn for two purposes only: (1) for cancellation and (2) for the sinking fund requirements of the indenture securing such collateral.

MONTREAL TRUST COMPANY, MONTREAL, TRUSTEE

Application will be made to list these bonds on New York Stock Exchange.

Mr. William H. Coverdale, President of the Company, has summarized his accompanying letter as follows:—

HISTORY AND BUSINESS—Canada Steamship Lines Limited was organized in 1913 by the consolidation of ten companies all long-established and successful concerns, including the Richelieu & Ontario Navigation Company, established in 1847. Through extensions and additions, it has since become the largest company in the Dominion engaged in inland water transportation of bulk and package freight and passengers.

It owns a fleet of ninety-six steamers having a gross tonnage of about 223,000 tons, and terminals, wharves, docks and warehouses at some fifteen points between the City of Quebec and Fort William at the head of the Great Lakes. In addition, the Company owns and operates boiler and engine plants, and shipbuilding and repairing plants, and through a subsidiary, towing and wrecking companies and a coal sales company doing a large wholesale fuel and bunkering business.

While the company's revenues are derived from well diversified classes of business, including practically the entire Canadian tourist business on the Great Lakes, from which about one-third of its transportation revenue is derived, the most important freight item is grain. The Company moved on the Great Lakes, during the season of 1921, 31% of the total Canadian wheat crop through the Canadian channels.

The Great Lakes and the St. Lawrence River together form the world's most important inland water way which unites, by the oldest and cheapest method of transportation, the grain producing territory of the West with trans-Atlantic trade routes, and the Eastern manufacturers with the Western consumer.

EARNINGS—The Company has earned as follows for the period from 1916 to 1921, inclusive, available for interest and after taxes, depreciation and all other charges:—

1916	1917	1918	1919	1920	1921	Six-Year Total	Six-Year Average
$2,850,000	$2,577,000	$2,709,000	$2,697,000	$2,554,000	$1,417,000	14,804,000	$2,467,000

Annual interest charges on present issue and $5,275,466 Debenture Stock (interchangeable with First Mortgage 5% Bonds) 683,750

ASSETS—After giving effect to this financing, the balance sheet of February 28, 1922, shows fixed assets (including net value of investments) of $27,656,262, including $8,388,539 representing real estate, buildings, docks, wharves, shops, tools, etc. This is after depreciation reserve of $6,595,461 and a special reserve of $3,873,595 against ocean tonnage and is substantially below values fixed by the Canadian Appraisal Company in June, 1921. In addition, the Company has net quick assets of $2,429,883, making total net assets of $30,086,145 against total 5% Debenture Stock (interchangeable with First Mortgage Bonds) and First Mortgage Collateral Bonds outstanding in the amount of $11,275,466.

SECURITY—This issue will be secured by deposit of $8,400,000 First Mortgage 5% Bonds due 1943, being 61.42% of a total closed issue of $13,675,466 (the balance being outstanding in the form of debentures or first mortgage bonds which are interchangeable). The face value of the First Mortgage Bonds held as collateral for this issue exceeds the face value of the issue by $2,400,000, or 40%.

Legal details in connection with this issue are subject to the approval of Messrs. Cotton & Franklin, New York, and Messrs. Brown, Montgomery & McMichael, Montreal. Physical Properties and past operations have been reported by Coverdale & Colpitts, New York. Auditors, Messrs. Marwick, Mitchell & Co.

Price 97.50 and Interest, to Yield nearly 7¼%

When, as and if issued, and received by us. Delivery may be made in the form of temporary bonds or interim receipts

NESBITT, THOMSON & COMPANY

LIMITED

305-7 Bank of Hamilton Bldg. - Toronto, Ont.

MONTREAL HAMILTON LONDON, Ont.

We do not guarantee the statement and figures presented herein, but they are taken from sources which we believe to be reliable.